



Daily Report

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Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

'News Analysis' on Upcoming U.S.-Soviet Talks

OW0611055589 Beijing in Mandarin to Taiwan
1500 GMT 5 Nov 89

["News Analysis": "An Important Link in Current U.S.-Soviet Relations"]

[Text] After announcing in late September that President Bush and President Gorbachev will hold a formal summit meeting next spring or summer, the United States and the Soviet Union further disclosed on 31 October that their leaders also will hold informal talks on 2 and 3 December. Undoubtedly, the meetings, which will be held approximately 6 months apart, are the major events in the current stage of U.S.-Soviet relations.

According to the U.S. Government, next year's summit meeting will focus on five major issues, including military control and regional conflicts. On the other hand, the informal talks in December will have no set agenda, but will provide the two leaders with the opportunity to exchange, and thus gain a better understanding of, each other's views on the current international situation and the development of U.S.-Soviet relations.

Analyses by parties concerned indicate that two factors contributed to the decision to convene an informal U.S.-Soviet summit meeting. The first is the changes that have taken place in the international situation, and especially in Eastern Europe, as well as the problems that the Soviet Union has encountered at home. Both the United States and the Soviet Union pay close attention to how the other side reacts to these problems. Under the circumstances, both sides hope that the talks will allow them to learn the other side's attitudes. The United States hopes to obtain from the Soviet leader first-hand knowledge of the situation and his views, lest it miss something in the drastically changing situation or handle things inappropriately, thereby affecting the two nations' relations. For its part, the Soviet Union does not want the United States to gain strategic benefits from the current situation or have the pace of U.S.-Soviet relations slowed, thereby affecting the progress of reforms. Therefore, this meeting is an important link in the process whereby the United States and the Soviet Union are readjusting their relations in a special environment.

The Bush administration's recent readjustment of its policies toward the Soviet Union is the second factor contributing to the forthcoming informal U.S.-Soviet summit meeting. The U.S. Government launched a long review of its foreign policies, especially those toward the Soviet Union and military strategies, when Bush assumed the U.S. presidency. The long-term objectives of going beyond ideology and of establishing more stable relations with the Soviet Union were proposed as a result. Nevertheless, due to a division of opinion within the U.S. Government over Soviet reforms, the United States at one time rarely, if ever, initiated any proposals with regard to U.S.-Soviet or West-East relations. The

Bush administration's overcautious approach in carrying out its policies were criticized both at home and abroad. It was exactly under these circumstances that the U.S. Government's policies toward the Soviet Union underwent some changes over the past few months. The United States is taking a more active stance now mainly on the issue of how to deal with Soviet reforms and military control. The United States' attitude toward U.S.-Soviet summit meetings has changed as well. It was the United States which first proposed the convening of an informal summit meeting, to which the Soviet Union responded. However, the U.S. idea of an informal summit meeting differed somewhat from the Soviet Union's. It was not until Soviet Foreign Minister Shevardnadze visited the United States in September that the two sides agreed to hold two summit meetings, paving the way for a new round of U.S.-Soviet talks.

However, some hold that, although the United States and the Soviet Union have fixed the date of the summit meetings, the two have yet to solve many of the problems that exist between them. More importantly, they wonder what the results of the meetings will be.

Analysis Views Philippine Attitude on U.S. Bases

OW0411123589 Beijing XINHUA in English
0748 GMT 4 Nov 89

["News analysis: Aquino Visit Raises Curtain on Philippine-U.S. Bases Talks (by Zhai Shuyao)"]—XINHUA headline]

[Text] Manila, November 4 (XINHUA)—Philippine President Corazon Aquino is expected to raise the curtain for talks on the fate of U.S. military bases in the Philippines beyond 1991 when she meets U.S. President George Bush in Washington on next Thursday.

Aquino begins a state visit to Canada and the United States on Saturday. Her U.S. trip comes less than a month before the scheduled start of formal talks on whether the Philippines should remove U.S. military facilities after a 1947 bases agreement expires September 16, 1991.

Observers here say the burning issue of the bases is very high on the unlisted agenda of the meeting between the two presidents despite pre-departure statements from Aquino that her talks with Bush would focus on trade and the economy.

The United States has its two largest overseas military bases in the Philippines, Clark Airfield and Subic Naval Base. These are regarded as critical to projecting U.S. military might in Asia and the Indian Ocean and as a key to pursuing the U.S. "global strategy."

The U.S. is determined to keep its Philippines bases for the longest possible period and for the least compensation.

Many U.S. politicians and lawmakers, including Vice President Dan Quayle, have visited Manila to drum up

support for retention of the bases. An American propaganda campaign is being launched to publicize the theory that the U.S. military presence is "a stabilizing factor" and has "an impact on economic development" in the region.

Filipinos in the government, parliament, the military and the public are divided on the future of the U.S. bases. According to surveys, many favor the retention of the U.S. facilities on the grounds that they provide a "security umbrella" for the country. But anti-bases nationalist sentiments are gaining ground. Opposition to the bases is particularly strong in the Senate, the body that must ratify any new treaty.

At least 16 of the 23 senators have stated flatly that they would reject any treaty extending the lease of the U.S. bases after 1991. The senators' stand is considered crucial on the bases issue.

Under the Philippine Constitution, foreign military bases shall not be allowed in the country except under a treaty duly concurred by the senate and, when the parliament so requires, ratified by a majority of votes in a national referendum.

Now, observers note, senate opinion appears to be favoring an end to the bases agreement.

The two opposing sides may reach a compromise. Senator Orlando Mercado, an anti-base advocate, filed a Senate bill recently calling for a "gradual and orderly phase-out" of America's Clark and Subic Bases and the four other small bases in the country within eight years. Such a formula is said to satisfy the aspirations of nationalists to safeguard sovereignty, and meet the requirements of bases supporters because of its long transitional period. Several other parliamentarians and prominent figures from the opposition have aired their support for "phase-out" ideas, although they differ on the transition period.

In an apparent attempt to get around the hostile senate, the House of Representatives has passed a bill calling for an early referendum on a new treaty extending the lease after it is negotiated but before it is submitted to the Senate for approval. The House members, however, refused to call it a referendum, branding it instead a "non-binding consultation" with the people.

Analysts say that because of the absence of a nationwide campaign, most Filipinos would opt for their retention in a "consultation" or referendum. Although it will be "non-binding," a pro-bases outcome from a referendum would place considerable pressure on senators to accept "the will of the people."

Most senators oppose the House bill, saying it violates the constitutional process which provides for a referendum only after the senate ratifies a new treaty.

What is significant is that the position of President Aquino herself on the fate of the U.S. bases is now becoming clear.

In late 1984, Aquino signed a "unity platform" with other opposition leaders against the regime of Ferdinand Marcos. An important component of that platform demanded removal of foreign military bases from Philippine territory. But since she came to power in 1986, Aquino has assumed an ambiguous attitude, saying "I keep my options open" until the expiration date.

But in a recent interview with a U.S. television, Aquino said for the first time that she was not opposed to a new treaty to extend the bases lease, so long as the terms meet national interests. She also endorsed the House referendum bill and urged the senators to pass it.

Days before her departure for the North American trip, Aquino had a closed-door meeting with Senate President Jovito Salonga, and they agreed to consult the public before the Senate decides on the bases issue. She also named the members of the Philippine Bases Negotiations Panel, headed by Foreign Secretary Raul Manglapus, and authorized them to start talks with their U.S. counterparts on the issue.

Observers here believe that Aquino has shifted from her "open options" policy to extension under American pressures. Her administration, faced with such knotty problems as insurgency, economic recovery and foreign debt, is in desperate need of American political and economic support.

So it is believed that Aquino has made up her mind to allow the continued presence of the U.S. bases. The coming talks could possibly focus only on the terms of a new treaty—for example, the duration of the lease and the amount of compensation. There might be acute bargaining, but the signing of a new treaty seems to be a foregone conclusion.

But now, people here fear that as the talks approach, there are still many contradictory views within the government and parliament. There is still lack of concerted efforts to define a unified stance and work out sound and feasible plans to deal with any complicated situation in defense of the national interest. This could weaken the Philippine's bargaining position in the talks.

Aquino is expected to bring up the bases issue during her North American tour. And observers here think she might make some commitments on a new treaty in exchange for new economic assistance.

Region's Border Trade Achievements Reported

SK3110131589 Hohhot NEIMENGGU RIBAO
in Chinese 25 Sep 89 p 1

[Summary] During the 1983-1988 period, Inner Mongolia Autonomous Region made marked progress in border trades with the Soviet Union and the People's Republic of Mongolia.

In 1983, the region's volume of border trades with the Soviet Union reached 2.73 million Swiss francs, and in

1988 reached 120.29 million Swiss francs, showing a 43-fold increase in the 6-year period.

The region's volume of border trades with the People's Republic of Mongolia increased from 630,000 Swiss francs in 1985 to 19.75 million Swiss francs.

At present, contracts, which have been signed between the region as well as the Soviet Union, and the People's Republic of Mongolia, with the 12 projects of economic and technical cooperation, are worth 290 million Swiss francs. These projects include vegetable planting, tree felling, contracting construction work, opening joint-venture enterprises, and exporting labor forces.

During the 1983-1988 period, the region's total value of imported goods reached 150 million francs. More than 90 percent of these imported goods are the means of production, including fertilizer, cement, timber, steel products, petroleum, and chemical industrial raw materials. Its total value of exported commodities, 98 percent of which are light and textile industrial products and capital goods for livelihood, reached 164 million Swiss francs.

Article Discusses Nobel Prize to Dalai Lama

HK3010105689 Beijing JIEFANGJUN BAO
in Chinese 12 Oct 89 p 4

[Roundup by Chen Xiong (7115 7160): "A Gross Tarnish to the Nobel Peace Prize"]

[Text] The Nobel Peace Prize Committee in Norway issued a bulletin a few days ago, announcing that the 1989 Nobel Peace Prize will be awarded to the Dalai Lama. And its officials even openly clamored that this was aimed at imposing a "punishment" on China and encouraging the Tibetans to continue to "fight for freedom." Such a clumsy act wantonly interfered in the internal affairs of China and grossly tarnished the Nobel Peace Prize. We cannot but express great indignation at this.

The work of appraising the Nobel Peace Prize this time, which was carried out in Oslo, capital of Norway, was full of an air of mystery. It was reported that the Dalai Lama was not originally included in the list of candidates for the prize winner. After a round of scheming behind closed doors, the committee suddenly decided to grant the crown of laurel to the Dalai Lama. The people of the world were very much "shocked" by the news, and even many diplomatic envoys in Oslo looked blank because they were in the dark before the decision was announced.

As is known to all, the aim of the Nobel Peace Prize Committee is to award the prize to those who make contributions to promoting national concord and friendship and the progress of world peace. Under the terms of the will of Alfred Nobel, founder of the peace prize, it is clearly stipulated that the prize winners must devote themselves to "fraternal unity of nations, disarmament, and world peace." Therefore, the peace prize which was

named after Alfred Nobel has enjoyed a high reputation in the world and is the focus of world attention. Nevertheless, the committee this time acted in a diametrically opposite way and even awarded the prize to a person like the Dalai Lama. It is simply ridiculous. As a matter of common knowledge, the Dalai Lama fled China after the riots in Tibet in 1959 were squashed. Since then, the Dalai Lama and some other Tibetan splittists formed a so-called "government in exile" abroad, engaging in the dirty activities of disrupting national unity and nationality solidarity. Such activities have been undoubtedly opposed by the Chinese people including the broad masses of the Tibetan people. A peace prize was awarded to such a nationality splittist; would not that be directly departing from the aim of the peace prize? Obviously, the farce in Oslo has revealed the organizers and schemers in their true colors and wantonly discredited the Nobel peace prize. Just as French Communist Party Secretary General Georges Marchais pointed out, the decision made by the Nobel Committee was a "low trick of politicians." The public opinion in Japan and South-east nations universally believed that "there were political maneuvers behind" the awarding of the prize, and pointed out that it had marred the "image of the committee itself," and played down the position of the Nobel Peace Prize in the "eyes of the world people."

It must be pointed out that interfering in China's internal affairs by using the Nobel prize has severely hurt the feelings of the 1.1 billion Chinese people. This is absolutely not tolerated. Tibet is an inalienable part of China's territory, and the big family of the Chinese nation comprises the Tibetans and more than 50 other nationalities. Since the peaceful liberation of Tibet, and especially since the 3d Plenary Session of the 11th CPC Central Committee, an earth-shaking change has taken place in Tibet, with significant increase in industrial and agricultural production, marked improvements in the people's living standards, with religious belief guaranteed, and the culture of all nationalities carried forward. This is for all world to see. Nevertheless, some people with ulterior motives obstinately pushed the Dalai Lama to the front, crowned him the "Nobel Peace Prize," and even said undisguisedly that the move was aimed at strengthening "his position in the world" and enabling him to win "greater prestige" so that Tibet would eventually embark on the "road of freedom." We cannot but ask a question. If the Dalai Lama has been so lauded to the skies and some Tibetan splittists are supported in engaging in activities of disrupting national unity and splitting the motherland, would not that flagrantly interfere in China's internal affairs? As a matter of fact, this is nothing strange at all. A group of people sticking to the anti-communist stand in the world have never had good intentions toward China. These people, who do not want to see a unified, prosperous, and strong China standing erect in the East, scheme and do every conceivable thing to disintegrate China. Their wanton interference in China's internal affairs this time by awarding the Dalai Lama a prize is nothing but a new trick of splitting

China. Yet such plots of theirs have never succeeded and will end in shameful failure in the future.

The Chinese people who have risen to their feet do not believe in heresy at all times. After China put down on the counterrevolutionary rebellion in Beijing, the Western reactionary force took the opportunity, set off a tide of opposing China, and imposed different types of restrictions and sanctions upon China. Facts have proved that all these could not scare the Chinese people. The noise of what was described as punishing China from Oslo could not harm the Chinese people either. We would like to offer a piece of advice to some people with ulterior motives: You had better carefully consider whether or not your perverse acts will chill the heart of Alfred Nobel in the nether world.

Tibetans Express 'Indignation' Over Nobel Prize

OW2810222589 Beijing XINHUA in English
1557 GMT 28 Oct 89

[Text] Chengdu, October 28 (XINHUA)—About 70 Tibetan public figures, at a Tibetan area working conference held today in Chengdu, the capital of Sichuan Province, expressed their indignation over Norwegian Nobel Committee's award of the Nobel Peace Prize to the Dalai Lama.

Zhaxi Cering, vice-chairman of the Sichuan Provincial People's Congress Standing Committee said that by awarding the Dalai Lama, the Nobel Committee has violated regulations prescribed by the committee itself which stipulate that the prize should be given to those who have made contributions to world peace and national unity.

He said that the Dalai Lama has engaged in activities aimed at undermining the unity of the Chinese nation and splitting the motherland since he fled to India in 1959.

A Tibetan vice-chairman of the Sichuan Provincial Committee of the Chinese People's Political Consultative Conference (CPPCC), Kungsa Yedo, said that Tibet has been part of China since ancient times.

We will not allow any countries, organizations or individuals to interfere in the country's internal affairs, he added. The CPPCC vice-chairman described the awarding as "wanton interference" in China's internal affairs.

The Nobel Committee has hurt the Chinese people's feelings and severely damaged the cause of world peace, he added.

Asian Games Official Discusses Preparations

OW0411230789 Beijing XINHUA in English
1536 GMT 4 Nov 89

[Text] Beijing, November 4 (XINHUA)—Athletes will enjoy sundry tastes and adequate nutrition during next

year's Asian Games here, according to a senior official of the Beijing Asian Games Organizing Committee (BAGOC) here today.

Liu Xiaocheng, deputy director of the committee's administration department told XINHUA that there would be 500 kinds of food including Chinese, Western and Islamic styles.

The deputy director released that every athlete's daily food consumption is estimated to be 2.5 kilograms. Beef and fresh vegetables as the main proportion, the food can provide at least 6,000 calories every day.

The BAGOC would try to meet the expectedly wide variety of tastes and provide chance of learning something of Chinese cooking. All visitors would enjoy during the games such main Chinese flavor as that in Shandong, Jiangsu, Guangdong and Sichuan Provinces.

In the 4,000-square meter dining hall, food in French, Russian, Korean and Japanese styles would be served round-the-clock.

And a fertile field of 10,000 hectares in total area would be assigned to plant fresh vegetables for the games, Liu added.

UN Envoy Urges International Anti-Drug Effort

OW0411122389 Beijing XINHUA in English
0642 GMT 4 Nov 89

[By Su Yuanchun]

[Text] United Nations, November 3 (XINHUA)—China today offered its resolute support for the international campaign against traffic of drugs.

Addressing a meeting of the U.N. Third Committee, which deals with social, humanitarian and cultural affairs, Chinese Ambassador Ding Yuanhong said that China took an active part in the formulation of the convention against illicit traffic in narcotic drugs and psychotropic substances and was among the convention's earliest signatories. On September 4 this year, this convention was ratified by the Standing Committee of China's Seventh National People's Congress at its 9th session.

The ambassador urged those countries which have not yet signed or ratified this convention to do so at the earliest possible date so that it will enter into effect earlier.

"Drug has become an international scourge endangering the welfare of the people everywhere and the tranquility of their societies," ambassador Ding noted.

"The large-scale transnational activities on the part of drug-dealing criminals have made it clear that no country can combat the drug problem single-handed, and the strengthened international cooperation in this respect has become imperative," Ding stressed.

The Chinese ambassador declared China's active support to the convening of a special session of the U.N. General Assembly devoted to the question narcotics in the near future.

He said, "as early as 150 years ago, the Chinese people started to suffer from opium drugs brought in by foreign traders. Many families lost everything to the scourge and many people ruined their health. The war fought over the opium trade ended with China ceding its territory and paying war indemnities, thus opening the historic chapter in which it was subjected to aggression by foreign powers. It is perhaps not accidental that in view of the tremendous harm drugs had done to the Chinese people, the 1909 international conference on the prohibition of drugs, the first of its kind, was held in Shanghai, China."

"After the founding of New China," the ambassador said, "the Chinese Government has all along maintained a strict ban on drugs and pursued a policy of severe punishment for drug-related crimes."

He said in conclusion, "in the future, China will, as always, work in close cooperation with other countries and the relevant U.N. agencies with a view to promoting a more effective global campaign against drugs and helping create a drug-free world."

Symposium on Opposing Unfair Competition Opens

State To Draft Relevant Law

OW0311135389 Beijing XINHUA in English
1226 GMT 3 Nov 89

[Text] Beijing, November 3 (XINHUA)—China is ready to draft a new law against unfair competition. XINHUA learned here today.

This was revealed today by Peng Chong, vice-chairman of the Standing Committee of the National People's Congress (NPC), China's highest legislative body.

China has reformed its over-centralized economic system and market regulation has played an active role in the national economy over the past decade, the vice-chairman said at the opening session of an international symposium on opposing unfair competition.

One of the major reasons for the prevalence of bribery and other forms of unfair competition in China nowadays is that the country has not yet established an administrative system that suits to China's planned commodity economy, Peng said, adding that a relevant law is urgently needed.

The symposium is jointly sponsored by the China Economic Law Research Society, the State Administration for Industry and Commerce, the Legislation Bureau under the State Council and the World Intellectual Property Organization (WIPO) in line with the proposal by WIPO Director-General Dr. Arpad Bogisch, and with the support of the United Nations Development Program (UNDP).

Gu Ming, president of the China Economic Law Research Society, Bogisch and Roy D. Morey who is resident representative of UNDP in China also addressed the opening session.

Vice-chairmen of the NPC Standing Committee Chen Muhua and Wang Hanbin were also present at the session.

Wan Li Views Economic Restoration

OW0411153589 Beijing XINHUA in English
1247 GMT 4 Nov 89

[Text] Beijing, November 4 (XINHUA)—Wan Li, chairman of the Standing Committee of the National People's Congress (NPC), met here today with Dr. Arpad Bogisch, director-general of the World Intellectual Property Organization, and delegates to the ongoing "International Symposium on Unfair Competition".

During the meeting, Wan Li said that Bogisch visits China very often and is an old friend of the Chinese people. Bogisch has participated in three consecutive international conferences in Beijing, which greatly enhanced the mutual understanding between China and other countries, Wan Li added.

As a developing socialist country, he said, China has only been promoting a planned commodity economy for a short time, and the relevant laws have not yet been perfected. China will learn from the developed countries in making such laws, he said.

Wan Li told the secretary-general that China suffered from an overheated economy and an unhealthy economic order in the past few years, and plans to improve its economy and restore economic order in three years.

Bogisch said China had already passed a very modern trademark law and successful patent law, and is discussing a law to outlaw unfair competition and a copyright law to protect writers' legal rights and interests.

Bogisch said he hopes the NPC will support the passage of the last two laws. By then, he added, China will have a well-rounded network of laws on intellectual property, and this will markedly help the economic development and exchanges between China and other countries.

The World Intellectual Property Organization will continue its efforts to promote exchange programs, he said.

The four-day symposium opened here Friday, with more than 90 experts and scholars from 15 countries attending.

UN Official on Asia, Pacific Region Visits**Discusses Housing for Poor**

OW0211044989 Beijing XINHUA in English
1557 GMT 1 Nov 89

[Text] Shanghai, November 1 (XINHUA)—Senior officials and experts from around the world met here today to discuss housing for the poor of the Asia-Pacific region.

In a written congratulatory message to the meeting, S. Kibria, executive secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP) of the United Nations, said: "In Third-World countries urban population is growing at a much faster rate than the total population."

He warned: "The situation is alarming in the Asian and Pacific region. By the year 2000, this region will have a population of nearly 3.5 billion, of which about 34 percent, or 1.15 billion, will live in urban areas. Nearly a quarter of this population will live in 23 mega-cities, each with more than five million inhabitants.

"One serious implication of this trend is the increasing concentration of the poorer section of the population in urban areas. This will result in the crowding of millions of people into slums and squatter settlements devoid of adequate shelter and community services."

Genes Overgaard, an ESCAP economic affairs officer, gave a regional overview on appropriate technology for low-income housing.

Shen Gong, deputy director of the Shanghai Municipal Construction Committee, said that in the past 10 years flats with floor space totalling more than 40 million square meters had been built in Shanghai, increasing per-capita floor space from 3.9 square metres to 6.3 square meters.

But, he pointed out, with a population of 12.5 million, the extraordinarily big city still has the problems of housing, transport and environmental pollution.

Sponsored jointly by ESCAP and the Shanghai municipal government and supported by the U.N. Development Program, the meeting will last for four days.

Ends Visit

OW0611120789 Beijing XINHUA in English
1031 GMT 6 Nov 89

[Text] Beijing, November 6 (XINHUA)—Shah Kibria, executive secretary of the United Nations Economic and Social Commission for Asia and the Pacific Region (ESCAP), and his party left here today at the end of their 10-day goodwill visit to China.

Kibria arrived here October 26 as guest of the Chinese Foreign Ministry. During Kibria's stay here, Chinese Premier Li Peng had met with him, and leading members of relevant Chinese departments exchanged views

with him on the economic cooperation in the Asia-Pacific region and on how to strengthen the relations between ESCAP and China.

During his visit, Kibria participated in the opening session of the symposium on economic and trade cooperation between China and the Asia-Pacific region in Beijing, and presided over the opening session of the inaugural meeting in Shanghai of the "Regional Network of Local Authorities for the Management of Human Settlements" and the signing ceremony of the network's charter.

Shanghai Mayor Attends UN Population Seminar

OW3110144689 Shanghai City Service in Mandarin
1000 GMT 17 Oct 89

[Text] The opening of today's meeting in Shanghai to mark the 10th anniversary of cooperation between China and the United Nations Population Fund (UNFPA) ushered in the next decade of cooperation between the two sides. The agency's third aid program for China, with a total amount of \$57 million, has been approved.

Ten years ago, the Chinese Government formally established cooperative ties with UNFPA, using its \$100 million-plus assistance funds to launch over 60 cooperative projects. These projects included demographic surveys, collection and analysis of demographic data, promotion and research of family planning, demographic studies, and research of old-age issues. The projects were carried out in all parts of China, with 12 of them launched in Shanghai. Among the Shanghai projects were the Shanghai (Huaihai) Pharmaceutical Factory, the Shanghai Family Planning Center, and the Shanghai Population Data Center. Total funds for Shanghai's projects amounted to some \$5.6 million.

Mr (Alan) Tank, the UNFPA deputy executive director, hailed China's achievements in solving its population problems in recent years. He maintained that no other country in the world had been able to keep its population growth to a level as low as that of China. It is learned that China's total birth rate declined from 4.74 children per woman to 2.36.

Shanghai Mayor Zhu Rongji attended the meeting and met with Mr (Alan) Tank. Shen Jueren, vice minister of Foreign Economic Relations and Trade, and He Jiesheng, vice minister of Public Health, made special trips to Shanghai to attend the meeting.

International Symposium Studies Flame Retardants

OW0211133589 Beijing XINHUA in English
1257 GMT 1 Nov 89

[Text] Beijing, November 1 (XINHUA)—Scientists have urged that more attention be paid to the development of flame retardants at a five-day international symposium on flame retardants which opened here today.

Addressing the opening session of the symposium, Tang Zhongwen, chairman of the China Ordinance Society, sponsor of the symposium, said that fires caused by many kinds of materials are becoming more serious and the development of flame retardants should be promoted by all nations.

According to Tang, the annual fire damage in all countries accounts for 0.2 percent to one percent of gross national product.

The symposium is being held to promote the international exchange of advanced flame retardation technology and products, discuss the trends of future development and possibilities for technological cooperation and trade, Tang added.

Topics to be discussed at the symposium include the composition and application of flame retardants and new mechanisms and techniques for flame retardation.

About 40 domestic and foreign institutions and companies are displaying newly developed retardants.

The 246 participants in the symposium are from China, Belgium, Japan, Poland, the Soviet Union, Romania, Korea, the Netherlands, the United States, Italy and Hong Kong.

Song Jian Meets Foreign Meteorologists

OW0411182889 Beijing XINHUA in English
1139 GMT 4 Nov 89

[Text] Beijing, November 4 (XINHUA)—Song Jian, China's state councillor and minister in charge of the State Science and Technology Commission, met with a group of meteorologists from Asian-Pacific countries here today.

Zou Jingmeng, director of the National Meteorological Bureau, attended the meeting.

The group, which is composed of high-ranking meteorological officials of Fiji, Thailand, Malaysia, Maldives and Indonesia, and an official from the World Meteorological Organization, arrived here November 1 for a 10-day study tour of China.

International Auto Exhibition Opens in Beijing

OW0411134289 Beijing XINHUA in English
0855 GMT 4 Nov 89

[Text] Beijing, November 4 (XINHUA)—An international exhibition of new automotive technology, participated in by some 120 firms from China, the United States, Federal Germany, India and Hong Kong, opened here today.

The exhibition is being held to support the Fifth International Pacific Conference on Automotive Engineering, which will start November 6. This is the first time such an activity has been held in China.

Nearly 100 automobiles and motorcycles are on display. Also, there are various parts and fittings, and testing and repair equipment on display.

An official of the China Society of Automotive Engineers, sponsor of the exhibit, said that the exhibition is being held to promote Sino-foreign technical exchanges, display the latest research findings and raise China's prestige in the international automotive industry.

United States & Canada

Further Coverage of Henry Kissinger's Visit

Discusses Relations

OW0611084789 Beijing XINHUA in English
0826 GMT 6 Nov 89

[Text] Hong Kong, November 6 (XINHUA)—Former U.S. Secretary of State, Dr. Henry Kissinger, expressed his belief here today that the U.S.-China relation would develop further in spite of differences between the two countries.

Kissinger gave a keynote speech here today at a seminar on "The Future of Asia-Pacific Economic Relations" which is co-organized by the Asia Society, the ASIAN WALL STREET JOURNAL and the Hong Kong Trade Development Council and opened on Sunday evening.

He said that if America cuts ties with China, it will affect all its relations with the Asia-Pacific region.

He noted as one of the "Shanghai Communique" drafters in 1972, he still appreciated the principle laid down in the communique that both the Chinese and U.S. Governments should work together to improve their relations in spite of their differences.

Commenting on the future of China's development, he said "the future depends on the country's own performance and the attitude of the outside world as well."

On the question of Taiwan, he said he believed the Chinese will "make a series of efforts to demonstrate that 'one country, two systems' will work. A peaceful solution of Taiwan relies on a peaceful solution of Hong Kong."

Speakers to the seminar will also include noted bankers, business executives, government officials of the region and also James Lilley, U.S. Ambassador to China. The seminar is to end on Tuesday evening.

Meets XINHUA Hong Kong Head

OW0611085489 Beijing XINHUA in English
0827 GMT 6 Nov 89

[Text] Hong Kong, November 6 (XINHUA)—Xu Jiatun, director of the XINHUA NEWS AGENCY Hong Kong branch, met with former U.S. Secretary of State Dr. Henry Kissinger here this morning.

They exchanged views on present Sino-U.S. relations and other issues of common interest in a friendly atmosphere.

Kissinger today attended a seminar on the future of Asia-Pacific economic relations being held in Hong Kong and is scheduled to leave here for a visit to Beijing tomorrow.

Article Views Human Rights Award to Fang Lizhi

HK0611094589 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 44, 30 Oct 89 p 29

["Special dispatch" from Washington by Huai Chengbo (2037 2052 3134): "Deliberate Provocation Against the Chinese People—Commenting on the Conferment of the 'Human Rights Award' on Fang Lizhi by the Kennedy Memorial Foundation"]

[Text] Recently, the U.S. Kennedy Memorial Foundation openly announced the conferment of the "Human Rights Award" on Fang Lizhi.

It is known to all that Fang Lizhi is a criminal wanted by Chinese public security organs for committing the crimes of counterrevolutionary propaganda and incitement. In disregard of firm opposition and solemn representation by the Chinese Government, the Kennedy Memorial Foundation was bent on having its own way. Obviously, it is openly supporting Fang's criminal activities to subvert the Chinese Government. This represents gross interference in China's internal affairs, gratuitous disdain for a sovereign state's judicial enforcement, and deliberate provocation against the 1.1 billion Chinese people. We express great indignation and strongly protest to the Kennedy Memorial Foundation for its perverse act.

The Kennedy Memorial Foundation has flattered Fang Lizhi as a "symbol of democracy" and a "hero in the eyes of the Chinese students at Beijing's Tiananmen Square." It has wrapped Fang in one halo after another and given him an "outstanding honor" in recognition of his "bravery" and "meritorious services" in opposing the socialist system, the Chinese Government, and the leadership of the CPC. This farce can by no means cover up Fang's features as a criminal, but it enables the Chinese people to see more clearly the true feature of the foreign forces supporting Fang Lizhi in opposing the motherland.

The Kennedy Memorial Foundation has also acknowledged that, as far back as the 1950's, when he was still attending school, Fang Lizhi, who is doted on by the anticommunist and anti-China forces in the West, but who has been cast aside by the Chinese people, was opposed to the socialist motherland and wrote articles attacking the use of Marxism to guide scientific research and the educational system. Fang has repaid the cultivation and kindness of the motherland and the Chinese people with enmity. In recent years, when the major international climate and the minor domestic climate

were appropriate, he wantonly put forward, under the pretence of democracy, freedom, and human rights, a complete set of programs aimed at overthrowing the CPC and subverting the PRC. When student unrest occurred in Beijing between spring and summer this year, he put this set of programs into practice, inciting such illegal organizations as the "Beijing College Students Autonomous Federation" to stage a counterrevolutionary rebellion.

Had the plot of Fang Lizhi and his ilk succeeded, the independence of the Chinese nation and the sovereignty of the People's Republic, paid for in blood by innumerable people with lofty ideals and by revolutionary martyrs, would have been forfeited, the Chinese people would have again been reduced to the status of dogs, and China would have become a mere appendage of great powers.

Since time immemorial, a person's attitude toward national independence and state sovereignty has always been a touchstone for distinguishing patriotism and national betrayal. Once independence and sovereignty are lost, how can we begin to talk about democracy, freedom, and human rights? The vast numbers of Chinese intellectuals have a fine patriotic tradition and a sense of national pride. Every one of them has a Chinese heart and is clear about what to love and what to hate. When, after several decades of sanguinary struggle, the Chinese people, under the leadership of the CPC, ushered in the founding of the People's Republic, the intellectuals residing abroad wept for joy and felt proud and elated because "the Chinese people have stood up!" With the pure hearts of newborn babes, they resolutely gave up excellent economic conditions and work posts abroad and, breaking through all kinds of obstacles, returned to the mainland to render service to the motherland. Although, in the storms and stress of the past several decades, some people have been treated unjustly, they have not changed their infatuation and have had no regrets throughout their lives. At the time of celebrating the 40th anniversary of the founding of the PRC, they are determined to perform new meritorious services for the great cause of China's four modernizations. Compared with them, how petty, low, and insignificant Fang Lizhi is! Forgetting his own origins, he peddled the Western political system and law of value and advocated total Westernization; to echo the anticommunist and anti-China forces in the West, he did not hesitate to sell his own soul, going so far as to ask Western countries to apply "sanctions" against his own motherland and people. Chinese intellectuals regard it as a disgrace to have such scum as Fang Lizhi.

Fang, who was flattered as a "hero" by the Kennedy Memorial Foundation, is the person who absconded most quickly to avoid punishment when the counterrevolutionary rebellion meticulously plotted by him and his like was quelled. He hid under the protection of foreign masters. Some students who were so taken in by Fang's demagoguery as to take part in the counterrevolutionary rebellion have indignantly exposed Fang's ugly conduct.

Now, Fang has become a poor creature huddled up and weeping all alone in a dark corner. He has been nailed fast to history's pillar of shame.

The fact that the Kennedy Memorial Foundation has presented Fang with an award has added a new example to the criminal record of U.S. interference in China's internal affairs. China, which is engaging in a modernization drive, wishes to have a peaceful and stable international environment and to develop friendly relations with all countries on the basis of the Five Principles of Peaceful Coexistence. China also attaches great importance to developing Sino-U.S. relations. Since China and the United States established diplomatic relations, relations between the two countries have developed steadily. In the past few months, however, Sino-U.S. relations have met with difficulties and suffered setbacks. This is entirely because the U.S. side has grossly interfered in China's internal affairs and imposed so-called "sanctions" against China. At present, Sino-U.S. relations are at a crossroads. On 2 October, when attending the UN General Assembly meeting in New York, Foreign Minister Qian Qichen stated four points for improving Sino-U.S. relations. This shows the great sincerity on the part of the Chinese Government. However, it is for the tier to untie the knot. The restoration and development of Sino-U.S. relations depends on U.S. policy and actions. Just as people were hoping for an improvement in Sino-U.S. relations, the Kennedy Memorial Foundation has raised an obstacle. This can only foul the atmosphere for the possible improvement of relations between the two countries. People have reason to ask: Is this an ill omen? We hope that the U.S. authorities will take a realistic view of the situation and choose and follow what is good.

Aircraft Maintenance Firm Opens in Guangzhou

Firms Involved

HK3010033589 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
30 Oct 89 p 1

[By Angus Foster]

[Text] Hutchison China Trade, US aerospace giant Lockheed and the Guangzhou branch of mainland airline CAAC [Civil Aviation Administration of China] have teamed up to launch Gameco, an aircraft maintenance firm with initial investment of US\$30 million.

The joint venture was officially opened on Saturday and already boasts the largest aircraft hangar in China.

Gameco will spend its first three to five years training staff and concentrating on maintaining CAAC planes before branching out into the international market, as a possible competitor to HAECO [expansion unknown] in Hong Kong.

The partners hope to see some return on their investment within three years.

CAAC Guangzhou Regional Administration is the largest shareholder with 50 percent and has built the new hangar, at Guangzhou airport, and is in charge of providing labour.

Hutchison China Trade Holdings, part of Li Kashing's business empire, has a 25 percent stake and is responsible for the financing of the venture and supplying the maintenance equipment.

Lockheed Aircraft Services International, also with 25 percent, will be in charge of training the Chinese technicians. The partners hope the technicians will qualify for aircraft maintenance licences, recognised by the US Federal Aviation Authority (FAA) and British Civil Aviation Authority (CAA) within three to five years.

Hutchison Whampoa managing director Simon Murray said at the opening ceremony that the need for aircraft maintenance would increase in line with China's economic growth.

"Over time the economy of China is going to develop and traffic flow in aviation is going to grow. It must do. Where you have increased traffic flow you will need increased maintenance," he said.

Vice-governor of Guangdong province Zhang Kaoli, also helping to launch the venture, said Gameco was further evidence that China's "opening up" policy to the outside world had not changed.

"(The policy) will serve as the main guiding principle in our country's economic construction," he said.

He added that the province would continue to make greater efforts to improve its investment environment and help foreign investors.

Gameco, which took four years to finalise, is thought to have been too close to completion when China started its economic belt-tightening to have been called into doubt. The foreign partners are not exposed to much risk in the venture, either, since they have CAAC as a captive customer.

CAAC's Guangzhou Regional Administration (GRA) is one of the largest of the six airlines under the CAAC umbrella in China.

GRA operates about 10 Boeing 757s and the same number of Boeing 737s, as well as 16 other passenger and other aircraft.

GRA also has one of the most modern fleets among the Chinese regional carriers, which is good news for passengers but suggests the planes will need less maintenance, at least to begin with.

CAAC director general Hu Yizhou said the venture, and the experience of its foreign partners, would help the airline lift standards of safety and efficiency, a welcome thought for Hong Kong travellers.

CAAC had a similar aircraft maintenance joint venture with Lufthansa in Beijing and another maintenance firm in Shanghai, where only CAAC was involved, he said.

Mr Murray played down the significance of the venture as competition for HAECO. "I don't see it as a challenge to HAECO. We may find we can work with them. HAECO is far more advanced in aircraft engine maintenance so we may be able to direct aircraft to them," he said.

But a Lockheed official said that once its staff were fully trained Gameco would look to international business, especially from smaller carriers in the region.

He pointed to China's lower labour costs, and HAECO's packed maintenance schedules, as competitive advantages for the Guangzhou venture.

Lockheed is also thought to be negotiating the sale of three passenger aircraft to Air Nepal which could use the Guangzhou facility.

Project Information

*OW2810180789 Beijing XINHUA in English
1547 GMT 28 Oct 89*

[Text] Guangzhou, October 28 (XINHUA)—The inauguration ceremony for the Guangzhou Aircraft Maintenance Engineering Co. Ltd. (GAMEC) was held here today.

GAMEC is a joint venture of the Guangzhou Administrative Bureau of China Airline Company, Lockheed Aircraft Service Company of the United States and Hong Kong Hutchison Whampoa Ltd.

GAMEC has China's biggest maintenance hangar with a work space of 14,000 square meters. It is able to handle one Boeing-747 and two Boeing-737s or four Boeing 737s at a time.

Under the terms of the contract, the Lockheed Company will provide GAMEC with high-level engineers to train its staff.

GAMEC will introduce internationally-advanced technology, equipment and administrative experience. The project will be formally operational in 1990. At that time it will provide maintenance service for both domestic and international airlines.

Soviet Union

Export Conference Displays Machinery Products

*HK0411083289 Beijing CHINA DAILY in English
4 Nov 89 p 2*

[By our staff reporter Jiang Xiaoyun]

[Text] Representatives of the Soviet Energy Machinery Export Conglomerate held an export conference in Beijing on Thursday, giving a detailed introduction of its

products to Chinese officials from the State Planning Commission, the China National Machinery Import and Export Corporation and the Civil Aviation Administration of China. They came to the capital to promote sales.

According to the barter trade agreement between the two countries' governments running 1986-1990, the conglomerate will provide 10 turbogenerators, each with a capacity of 210,000 kilowatts, to China's four power plants.

The conglomerate will also export boilers to the Beijing Heat and Power Plant for residential heating.

Additionally, an agreement was signed with the China National Machinery Import and Export Corporation to supply China with 7,500 railway freight cars before 1990.

China's cooperation with the Soviet Energy Machinery Export Conglomerate dates back to the early 1970s.

Since then the conglomerate has exported electricity generating equipment with a total installed capacity of 2.4 million kilowatts, which is running in the Benxi, Fuxin, Fushun, Sanmenxia and Fengman hydropower stations.

The Soviet Energy Machinery Export Conglomerate consists of 12 major professional corporations of the trade. It exports products manufactured by over 100 enterprises to 75 countries, including the United States, Japan, West Germany, Italy, France and Argentina, and enjoys a high international reputation.

Trade Talks With Soviet Machinery Company

*OW0611095589 Beijing Television Service
in Mandarin 1400 GMT 3 Nov 89*

[From the "Night News" program]

[Text] Officials of the State Planning Commission, the Ministry of Coal Industry [as heard], the Ministry of Railways, the China National Machinery and Equipment Import and Export Corporation, and other departments held trade talks with the All-Union Motive Power Machinery Export Co. of the USSR at the Kunlun Hotel last night. The purpose of the talks was to establish new trading links. The company is the largest foreign trade organization under the the Ministry of Heavy Machine Building of the Soviet Union and has trade contacts with many nations and regions around the world. It started to do business with our nation in the early 1970's. Responsible people of the company said they would make greater efforts to promote long-term and mutually beneficial cooperation between China and the Soviet Union in the fields of motive power machinery and energy resources. [Video begins with shots of people browsing over books laid on several tables, cutting to shots of trade talks]

Barter Trade Shop Opens in Chita Oblast

SK0511120889 Hohhot Inner Mongolia Regional
Service in Mandarin 1130 GMT 3 Nov 89

[Text] Our region's first transnational barter trade shop recently opened at the (Hongsejulia) livestock farm in Zabaykalsk region in Chita Oblast, the Soviet Union. This barter trade shop was run by the supply and marketing cooperative of Ewenki Autonomous Banner. In order to strengthen material exchange between China and the Soviet Union, this supply and marketing cooperative held talks with the Soviet side. The Soviet side agreed that the (Hongsejulia) livestock farm in Zabaykalsk region in Chita Oblast would take charge of providing a commercial center with a total floor space of 400 square meters for the Chinese side. The first group of commodities organized by our side were articles of daily use, household electric appliances, [words indistinct], knitting fabrics and other products, totalling more than 520 varieties. These commodities were valued at some 600,000 yuan, which is approximately 230,000 Swiss francs. So far, a transaction involving some 400,000 yuan of Renminbi has been concluded, which is equivalent to nearly 180,000 Swiss francs.

Soviet Telecommunications Delegation Returns Home

SK0411134289 Harbin Heilongjiang Provincial
Service in Mandarin 2200 GMT 3 Nov 89

[Text] At the invitation of the provincial government, a five-member postal and telecommunications delegation led by Comrade (?Bavagalasimofu), director of the International Telegram and Telephone Communications General Bureau of the Ministry of Posts and Telecommunications of the Russian Soviet Federated Socialist Republic, ended its 1-week friendly visit in our province and left Harbin for home by plane on 3 November.

During its visit in our province, the Soviet delegation was received by Vice Governor An Zhendong. In his talks with the Soviet guests, An Zhendong said: At present, our Heilongjiang Province has linked up with the Soviet Union. By land, we have trains, by waterway, we have steamboats, and by air, we have airplanes. However, the public telegram and telephone services in the border areas of both sides have not yet been opened. This has greatly hampered the development of border trade between both sides. I hope that the postal and telecommunications departments on the Chinese and Soviet sides will hold talks and jointly study ways to rapidly resolve telecommunications problems in the border areas of both sides.

Representatives of the Chinese side headed by (Chen Xiuren), director of the provincial Postal and Telecommunications Administrative Bureau, held cordial and friendly talks with the Soviet side on postal and telecommunications development between both sides [words indistinct], export of labor service, and technological cooperation, and concluded a summary of talks.

USSR Gives 'Internationalist Hero' Posthumously

OW0511040889 Beijing in Russian to the USSR
1900 GMT 2 Nov 89

[Text] A ceremony was held at the Soviet Embassy in the PRC the afternoon of 2 November at which Comrade Ren Fuchen, the late internationalist hero and commander of a Red Army Chinese regiment, was posthumously awarded the Order of the Red Banner. The order was awarded to him by the Supreme Soviet Presidium of the Soviet Union for a special contribution he had made during the civil war, as well as for his courage, steadfastness, and selfless spirit in the battles that led to Kolchak's defeat and the Ural's liberation.

Soviet Ambassador Troyanovskiy presented the order to Professor Ren Dunliang, Ren Fuchen's 83-year-old son, to preserve the memory of his father's deeds. After receiving the order, Professor Ren Dunliang said that he considered the award not merely an honor to his father, but also an honor to those commanders and soldiers of the Chinese regiment who gave their lives for the first socialist state in the world. He added that he and his relatives sincerely hope that Chinese-Soviet friendship will develop further in the new situation. He expressed the wish that the people of the two countries will live in friendship for the good of world peace and mankind's happiness.

Friendship Association Marks October Revolution

OW0611120389 Beijing XINHUA in English
1037 GMT 6 Nov 89

[Text] Beijing, November 6 (XINHUA)—The 72nd anniversary of the October Socialist Revolution was marked here today at a film cocktail party given jointly by the Chinese People's Association for Friendship With Foreign Countries and the Sino-Soviet Friendship Association.

Among those present on the occasion were Wu Xiuquan, president of the Sino-Soviet Friendship Association; Ai Zhisheng, minister of radio, film and television; Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries.

Soviet Ambassador to China O. A. Troyanovskiy, officials of the Soviet Embassy here and other Soviet friends in Beijing, attended.

A Soviet feature film was shown on the occasion.

Northeast Asia

Kim Il-song Arrives in Beijing for 'Secret' Talks

OW0511131689 Tokyo NHK General Television
Network in Japanese 1000 GMT 5 Nov 89

[Text] In the midst of changes in the socialist nations, including East Europe, Kim Il-song, president of North Korea, secretly arrived in China this afternoon. It is

believed that the purpose of his trip is to exchange views with Chinese leaders on such topics as fundamental issues regarding the future of socialism.

President Kim Il-song's visit to China was disclosed by a very reliable source in Beijing, according to NHK Beijing correspondent Inoue. President Kim Il-song and his entourage arrived at Beijing Station by special train at around 1700 [0800 GMT] on 5 November. All Chinese mass media are keeping quiet about President Kim Il-song's visit. According to information confirmed by NHK, however, the general public was forbidden to enter the area around Beijing Station for more than 2 hours. Shortly after 1700, some 50 automobiles—including dozens of Hongqi limousines, which are used by high-level officials—were seen coming out of Beijing Station.

President Kim Il-song last made an official visit to China in May 1987. However, there is reportedly an agreement between China and North Korea that allows high ranking officials of both countries to secretly visit each other, as occasion demands, to exchange views on such issues as the international situation and bilateral relations. Thus, it is believed that during the current secret visit the DPRK president will exchange views with Chinese leaders on such topics as fundamental issues regarding the future of socialism and Chinese relations with the ROK over the issue of the Asian games—which will be held next year in the fall—by taking into account the changing situation in East Europe and the Tiananmen Square incident.

DPRK Science, Technology Delegation Visits

Meets Song Jian

OW0611070289 Beijing Television Service
in Mandarin 1400 GMT 3 Nov 89

[From the Night News program]

[Text] [Video begins with closeups of Song Jian, seated and talking to guests through interpreters in a conference room, followed by pan shots of the guests seated to his left]

Song Jian, state councillor and minister of the State Science and Technology Commission, met with a government scientific and technological cooperation delegation from the DPRK, led by Vice Minister of the State Science and Technology Committee Kim Ung-ho, at the Great Hall of the People this morning.

Song Jian also attended the ceremony for signing the protocol of the 29th conference of the Sino-Korean Scientific and Technological Cooperation Committee.

Signs Protocol

OW0311115689 Beijing XINHUA in English
0805 GMT 3 Nov 89

[Text] Beijing, November 3 (XINHUA)—The protocol of the 29th meeting of the China-Democratic People's Republic of Korea (DPRK) Commission for Scientific and Technological Cooperation was signed here this morning.

The document specified 58 projects of cooperation involving energy resources, light industry, machine-building and electronics industry, and agriculture.

Signing the protocol on behalf of their respective governments were Zhu Lilan, vice-minister of the Chinese State Science and Technology Commission, and Kim Ung-ho, DPRK State Commission of Science and Technology.

Prior to the signing ceremony, State Councillor Song Jian met Kim Ung-ho and his party.

DPRK Newspapers Commend Chinese Volunteers

HK0611045189 Beijing RENMIN RIBAO in Chinese
26 Oct 89 p 4

[Dispatch by reporter Xu Baokang (1776 1405 1660): "DPRK Newspaper NODONG SINMUN Praises Internationalist Spirit Displayed by Chinese Volunteers"]

[Text] Pyongyang, 25 Oct—NODONG SINMUN, an organ of the Korean Workers' Party, carried an editorial today to mark the 39th anniversary of the Chinese volunteers' participation in the Korean war. The paper praised the proletarian international spirit of the Chinese volunteers and the meritorious service they rendered to Korea and stressed that it is the firm will of the Korean people to continue strengthening and developing Sino-Korean friendship.

The NODONG SINMUN editorial said that the Chinese people's volunteers' participation in the Korean war embodied the Chinese people's militant friendship toward the Korean people. As a living example of proletarian internationalism, it constitutes a tremendous contribution to Asia and world peace. Its international status and influence will further increase. Both Korea and China are fruitfully building socialism. Korean-Chinese friendship will further develop and be consolidated.

MINJU CHOSON, an organ of the Korean Government, pointed out in an editorial that the Korean people cherish Korean-Chinese friendship and regard the achievements of the Chinese people in revolution and construction as their own. They hope that the Chinese people, under leadership of their party, will win greater victories.

DPRK NODONG SHINMUN Group Visits

Meets Hubei Leader

HK0111084189 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 26 Oct 89

[Text] Last night, Comrade Qian Yunlu, provincial party committee deputy secretary, met the NODONG SHINMUN delegation, with Deputy Chief Editor (Pak Chung-sun) as the head. Comrade Qian Yunlu and Korean comrades talked about their militant friendship cemented with blood by the Chinese and Korean peoples. Comrade Qian Yunlu briefed the Korean comrades on the Hubei situation in curbing the turmoil and putting down the rebellion and on the great achievements made by Hubei over the past 40 years, particularly since reform and opening up, in the aspect of socialist construction. The Korean comrades highly appraised the Hubei's new achievements in socialist construction.

Meets Henan Leader

HK0211044389 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 27 Oct 89

[Text] Yesterday [27 Oct] afternoon, provincial party committee Deputy Secretary Yao Minxue cordially met all the members of the NODONG SHINMUN delegation of the DPRK, with Deputy Chief Editor (Pak Chung-sun) as the head, in the Guoji Hotel, Zhengzhou.

The NODONG SHINMUN delegation of Korea comprises five people, who at the special invitation of RENMIN RIBAO, have come to pay a friendly visit to our country. They arrived in Zhengzhou yesterday morning.

In Zhengzhou, after the Korean comrades had inspected some factories and rural areas, they highly praised the achievements made by our province in industrial and agricultural production and other aspects over the past 40 years since the founding of New China.

During the meeting, Comrade Yao Minxue said to the Korean comrades: At present, all people throughout Henan are seriously studying and implementing the guidelines of the 4th plenary session of the 13th CPC Central Committee and Comrades Deng Xiaoping's and Jiang Zemin's important speeches, and are seriously implementing the basic line of one center, two basic points, which is used to unify the thinking of all people throughout the province. In the economic aspect, we are undergoing comprehensive improvement and rectification, and deepening reform in an all-round way.

Comrade Yao Minxue wholeheartedly expressed his good wishes: May the friendship cemented with blood by the Chinese and Korean parties and peoples last forever!

Comrades, including (Deng Shizhang), chief editor of HENAN RIBAO, and Cai Liuhai, director of provincial Foreign Affairs Office, participated in the meeting.

DPRK Awards Friendship Medal to Journalist

OW0411010189 Beijing XINHUA in English
1457 GMT 3 Nov 89

[Text] Shanghai, November 3 (XINHUA)—A copy editor of the Shanghai Translation Publishing House, Gao Zongwen, has been decorated with the Friendship Medal, Second Class, awarded by Kim Il-song, president of the Democratic People's Republic of Korea.

Gao received the decoration during his September-October visit to the DPRK at the invitation of the director of the DPRK Foreign Language Comprehensive Publishing House.

Gao has been translating Korean for many years. As early as the 1950s, he edited the text of "Selected Works of Kim Il-song", published by the People's Publishing House.

In the 1970s, Gao edited with Korean translators the text of "Selections from Kim Il-song's Works" and "A Brief Biography of Kim Il-song".

In addition, he has translated many Korean art and literary works into Chinese.

Vice President Wang Zhen Meets Japanese Guests

OW0311123289 Beijing XINHUA in English
1125 GMT 3 Nov 89

[Text] Beijing, November 3 (XINHUA)—Wang Zhen, Chinese vice-president and honorary president of the China Association for International Friendly Contacts, met and hosted a dinner for Keiichi Kuwahara, mayor of Fukuoka of Japan, and his party here this evening.

Present on the occasion were Ye Xuanping, governor of Guangdong Province, and leading members of Guangzhou City.

The city of Fukuoka established friendly ties with Guangzhou in 1979.

Wu Xueqian Meets Japanese Tourism Leader

OW0611120589 Beijing XINHUA in English
1036 GMT 6 Nov 89

[Text] Beijing, November 6 (XINHUA)—Chinese Vice Premier Wu Xueqian met here today with Manabu Kanematsu, president of the Japan Association of Tourist Agent (JATA).

Kanematsu is here on a visit to China as guest of the National Tourism Administration.

Li Ruihuan Meets Japanese Journalists Delegation

OW0411153789 Beijing XINHUA in English
1214 GMT 4 Nov 89

[Text] Beijing, November 4 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political

Bureau of the Chinese Communist Party Central Committee, met a delegation of Japanese Journalists League here today.

During the meeting, Li answered questions raised by Akai Takeo, president of the Japanese Journalists League.

Li said that the Chinese people treasure their friendly relations with the Japanese people.

He said the Sino-Japanese cooperation agrees with the common interests of the Chinese and Japanese people and he hoped that the cooperation will be further developed.

Composed of journalists and scholars from some major Japanese newspapers and news agencies, the delegation is here as the guests of the All-China Journalists Association.

Southeast Asia & Pacific

Sihanouk Discusses Issues With Li Peng on Visit

OW0411162789 Beijing XINHUA in English
1548 GMT 4 Nov 89

[Text] Beijing, November 4 (XINHUA)—Chinese Premier Li Peng hosted a dinner here tonight for the President of Democratic Kampuchea, Prince Norodom Sihanouk, and his wife to celebrate Sihanouk's 67th birthday.

When Li presented a basket of flowers to Sihanouk and wished him a healthy and long life, Sihanouk said it embodied the Chinese people's support for the Kampuchean people and the great friendship of the two countries.

The Chinese premier also gave Sihanouk an album containing 103 works by well-known Chinese painters.

Talking of the Kampuchea question, Sihanouk insisted on "a total political solution instead of a partial solution".

To achieve a comprehensive solution, he said, Vietnam must withdraw all its troops under effective international supervision under U.N. auspices, and a four-party provisional coalition government must be established.

This is the foundation of the solution, Sihanouk said, and it cannot be changed.

Sihanouk briefed Li on the struggles in the battlefield by the resistance forces of the three parties in Kampuchea.

Li said China firmly supports the stand of Sihanouk for a comprehensive solution to the Kampuchea question. He also hailed the latest victories of the resistance forces in the battlefield.

Zhu Lin, wife of Li Peng, and Foreign Minister Qian Qichen were present on the occasion.

This morning, Assistant Foreign Minister Xu Dunxin, on behalf of President Yang Shangkun, and Deng Yingchao, widow of the late Premier Zhou Enlai, presented Sihanouk with baskets of flowers and birthday cakes.

Trade Volume With Brunei Increases

HK0411084089 Beijing CHINA DAILY in English
4 Nov 89 p 2

[By our staff reporter Ren Kan]

[Text] Trade between China and Brunei jumped this year as a consequence, in all likelihood, of the recent visit to that Southeast Asian country by an official Chinese delegation.

In the first nine months of this year, the total trade volume between the two countries reached \$13.54 million, 620 percent higher than during the same period last year, even though these two countries have not established diplomatic relations yet and still conduct trade via Hong Kong and Singapore.

Brunei's exports to China to date this year total \$8.4 million.

Last year, the trade volume reached \$9 million, compared with the average annual trade volume of \$2.7 million before 1988, said Yan Bangsong, an official of the Ministry of Foreign Economic Relations and Trade (Mofert).

China mainly imports crude oil from Brunei and exports light industrial products, steel, agricultural machinery and food.

September's official trade visit was the first time Brunei received a Chinese delegation since the People's Republic of China was founded. The two countries contacts, however, go back more than 300 hundreds years to China's Ming Dynasty.

The trip was arranged during a foreign ministers' conference at the United Nations last year.

Near East & South Asia

Li Peng Congratulates Pakistan's Bhutto on Vote

OW0311122789 Beijing XINHUA in English
1215 GMT 3 Nov 89

[Text] Islamabad, November 3 (XINHUA) —Chinese Premier Li Peng, who will make a four-day visit to Pakistan in mid-November, today congratulated Pakistani Prime Minister Benazir Bhutto on her victory over a no-confidence motion against her by the opposition in parliament.

Chinese Ambassador to Pakistan Tian Ding conveyed the greetings to Bhutto on behalf of Li here Friday by telephone.

The no-confidence motion lodged by the opposition against Bhutto was defeated in the National Assembly on November 1.

Pakistan newspapers Friday frontpaged Li's visit, scheduled to take place November 14-17.

New Round of Bhutan Border Talks Makes Progress

OW0611094289 Beijing XINHUA in English
0910 GMT 6 Nov 89

[Text] Beijing, November 6 (XINHUA)—Both the Chinese and Bhutanese sides have expressed satisfaction with the result of the sixth round of Sino-Bhutanese boundary talks held here between October 30 and November 5, according to sources close to the talks.

Chinese Foreign Minister Qian Qichen and Vice Foreign Minister Liu Shuqing held several talks with the Bhutanese delegation led by Foreign Minister Lyonpo Dawa Tsering.

In a friendly and cordial atmosphere, the two sides held consultations on the delimitation of the Sino-Bhutanese boundary, and also had a useful exchange of views on domestic and international issues, according to the sources.

Both sides expressed satisfaction at the result of the talks which have helped deepen the mutual understanding and enhanced the traditional friendship between the two countries, the sources said.

During their stay here, the delegation paid courtesy calls on Chinese President Yang Shangkun and Premier Li Peng, and conveyed to them the warm greetings and good wishes from King of Bhutan Jigme Singh Wangchuk.

The Chinese leaders in turn sent their best greetings to the King of Bhutan. The Bhutanese delegation also met with Chinese Vice Premier Wu Xueqian.

The Bhutanese delegation expressed their profound gratitude to the Chinese Government and people for the warm reception and "generous hospitality" accorded to them during their stay here.

XINHUA Interviews 'Arafat on Dialogue

OW0411204489 Beijing XINHUA in English
0137 GMT 4 Nov 89

[By Gao Qiufu and Yu Dabo]

[Text] Cairo, November 3 (XINHUA)—Palestinian President Yasir 'Arafat said here today that the holding of the proposed Palestinian-Israeli dialogue depends on "how Israel behaves and whether it reacts positively to the PLO's peace initiative."

In an exclusive interview with XINHUA at a gathering sponsored by the Afro-Asian Writers' Association this evening, 'Arafat said the Palestinians in the occupied

territories will intensify their 22-month-old uprising if the Israeli authorities do not change their repressive policy.

'Arafat attended the gathering and chatted with those around him. When spotting the XINHUA correspondents in the crowd, he approached and said, "Ni hao" ("How do you do" in Chinese) and shook hands with them.

When asked about the modifications made by U.S. Secretary of State James Baker in his five-point plan for Palestinian-Israeli peace talks, 'Arafat said the PLO had not taken a final stand on the matter and "discussions are still underway."

'Arafat made the remarks on the eve of a PLO Executive Committee meeting that begins later tonight. It is the first meeting held by the committee in Cairo in 12 years since Egypt signed a peace treaty with Israel in 1979.

The president said the meeting would discuss the Palestinian issue as a whole and coordinate positions on the Mideast issue, including the proposed Israeli-Palestinian dialogue.

'Arafat ruled out the possibility that the meeting would decide on the list of Palestinian representatives for talks with Israel.

Also interviewed today by XINHUA were 'Yasir Abd-Rabbuh, PLO chief representative to the U.S.-Palestinian dialogue and Sa'id Kamal, ambassador of the Palestinian state to Cairo.

Referring to the stalemated U.S.-Palestinian dialogue, Rabbuh said, "Nothing has been decided" on whether the fifth round of the dialogue would be held. He declined to elaborate.

The PLO and the United States have held four rounds of talks, with the latest in August 14.

Rabbuh attributed the impasse in the dialogue to the U.S. negative attitude toward the Mideast peace process, saying the U.S. Administration adopts its policy in the interests of the Israeli Government.

He described Baker's modified peace plan as "nothing" but a ploy to serve the Israeli interests.

The modifications of Baker's plan include a promise that known members of the PLO will be banned from the future Palestinian-Israeli talks, but leave open the possibility of indirect participation by the PLO.

Kamal said Israeli Prime Minister Yitzhaq Shamir's "political philosophy" is to refuse to recognize the PLO and to give up land for peace.

Kamal said he sees no signs that Israel would be flexible in changing its hardline policy to comply with the peace trend in the Middle East.

Vice Premier Wu Xueqian Meets Indian Delegation*OW0611120689 Beijing XINHUA in English
1035 GMT 6 Nov 89*

[Text] Beijing, November 6 (XINHUA)—Chinese Vice Premier Wu Xueqian met here today with Eric Gonzales, director of the International Center of India, and his party.

The guests arrived here last Saturday at the invitation of the Chinese People's Institute of Foreign Affairs.

State Councillor Meets Nepalese Minister*OW0411182589 Beijing XINHUA in English
1322 GMT 4 Nov 89*

[Text] Beijing, November 4 (XINHUA)—Chinese State Councillor and Minister of Public Security, Wang Fang, met and gave a dinner for Niranjan Thapa, Nepalese minister of state for internal affairs, and his party here this evening.

The Nepalese guests arrived here this afternoon. During an eight-day stay in China, they will also tour Shanghai and Guangzhou.

NPC's Lei Jieqiong Meets Guests From Nepal*OW0611121289 Beijing XINHUA in English
1033 GMT 6 Nov 89*

[Text] Beijing, November 6 (XINHUA)—Lei Jieqiong, vice chairman of China's National People's Congress (NPC) Standing Committee, met with Nepal's former Minister of Education Keshar Bahadur Bista and his wife here today.

The Bistas arrived here November 3 as guests of the Chinese People's Institute of Foreign Affairs. They are scheduled to visit Chengdu and Guangzhou.

East Europe**Bulgarian Foreign Minister Feted in Beijing***OW0511100289 Beijing XINHUA in English
0924 GMT 5 Nov 89*

[Text] Beijing, November 5 (XINHUA)—Furthering the friendly relations of cooperation between China and Bulgaria accords not only with the fundamental interests of the people of the two countries, but also with the safeguarding of world peace and security, foreign ministers of the two countries said this here today.

Chinese Foreign Minister Qian Qichen said at a dinner he hosted for his Bulgarian counterpart Petur Mladenov in Beijing's Diaoyutai State Guesthouse, who arrived here this morning for a 4-day official good-will visit, that China has always held that countries should develop their relations on the basis of the Five Principles of Peaceful Co-existence and establish new world political and economic order on the basis of same principles.

He said that China treasures very much what has been achieved in developing the Sino-Bulgarian relationship, and wants to promote friendly relations of cooperation with Bulgaria in all the fields on the basis of the Five Principles of the Peaceful Co-existence.

China also wants to increase cooperation with Bulgaria in international activities and support each other in a bid to make new contributions to world peace, he added.

Mladenov said he is happy to see a fast development in Sino-Bulgarian cooperation in all the fields.

But, he added, great potentials still remain in this regard.

The two countries are doing enormous work to carry out reforms in various fields, Mladenov noted.

Amity Association Head Meets Bulgarian Visitors*OW0311155089 Beijing XINHUA in English
1523 GMT 3 Nov 89*

[Text] Beijing, November 3 (XINHUA)—Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries, met and gave a dinner for a delegation from the Bulgaria-China Friendship Association led by its President Ivan Iliyev here this evening.

The delegation arrived here today for a goodwill visit upon invitation.

Bulgarian Academy Presents Award to Scientist*OW0411192489 Beijing XINHUA in English
1133 GMT 4 Nov 89*

[Text] Beijing, November 4 (XINHUA)—Chinese noted scientist Zhou Guangzhao was presented a decree of an honorary member of the Bulgarian Academy of Sciences in the Bulgarian Embassy here this morning.

Zhou, president of the Chinese Academy of Sciences, received the decree presented by Ivan Iliyev, president of the Bulgaria-China Friendship Association, who made a special trip for the occasion.

Present at the awarding ceremony were Xie Bangzhi, president of the Sino-Bulgarian Friendship Association and Philip Markov, Bulgarian ambassador to China.

Czechoslovak Peace Delegation Arrives for Visit**Meets NPC's Chen Muhua***OW0411134489 Beijing XINHUA in English
0913 GMT 4 Nov 89*

[Text] Beijing, November 4 (XINHUA)—Chen Muhua, vice-chairwoman of the Chinese National People's Congress [NPC] Standing Committee, met with a delegation led by Bedrich Svestka, president of the Czechoslovak Peace Defenders' Committee, here this afternoon in the Great Hall of the People.

The delegation arrived here November 1 at the invitation of the Chinese People's Association for Peace and Disarmament.

Meets Shanghai Official

OW0511003889 Shanghai City Service in Mandarin
2300 GMT 2 Nov 89

[Text] Zhao Qizheng, member of the Standing Committee of the Shanghai Municipal Party Committee, met a delegation from the CSSR Peace Committee, led by Bedrich Svestka, at the Hongqiao Guesthouse yesterday evening. The guests and host had a cordial and friendly conversation.

Political & Social**Reportage on CPC Central Committee Plenum****Plenum Opens**

OW0611124789 Tokyo KYODO in English
1226 GMT 6 Nov 89

[Text] Beijing, Nov. 6 KYODO—The Chinese Communist Party Central Committee opened a plenary session on Monday to discuss mainly economic issues, informed sources in Beijing said.

The sources said the plenary session will last several days and is expected to adopt resolutions on economic policies.

The meeting will not discuss a personnel reshuffle involving senior leader Deng Xiaoping's retirement as chairman of the party's Military Commission, the sources said.

They said a three-year economic adjustment program will be at the top of the agenda.

The party has broadly agreed to shift priority from promotion of market economization to a combination of a market economy and a planned economy but differences in concrete policies remain, the sources said.

The meeting is also expected to adopt a resolution against corruption and bourgeois liberalization, they said.

Jiang To Deliver Main Address

HK0611015789 Hong Kong SOUTH CHINA
MORNING POST in English 6 Nov 89 pp 1, 10

[By Seth Faison in Beijing and Willy Wo-lap Lam]

[Text] The fifth plenum of the Communist Party Central Committee is expected to deliberate until Thursday [9 November] on a range of economic and political issues, Chinese sources said yesterday.

The plenary session will endorse and later publish a work report that was delivered by General-Secretary Jiang Zemin at a preparatory Central Work Conference held secretly last week, the sources said.

The report is based on a document drafted by the State Planning Commission entitled "Certain Policy Suggestions for Curing and Restructuring the Economy and Deepening Reform in the Coming Three Years."

Mr Jiang's report outlined four major points and 38 detailed suggestions on a belt-tightening economic game-plan aimed at increasing central control, boosting state earnings, and bringing down inflation, one source said.

Coming at a time when the party is seriously divided on how to proceed with its reform program, the gathering of 170-odd Central Committee members and 110 alternative members may prove to be crucial.

Senior leader Deng Xiaoping, who selected Mr Jiang over Prime Minister Li Peng to deliver the plenum's main address, is believed to have blocked discussion on the sensitive case of ousted party chief Zhao Ziyang, whom Mr Jiang replaced in June.

Other important personnel changes will likely include the elevation of up to three senior cadres to the Politburo.

However, as the Beijing leadership has reiterated, the major point of the plenum is to map out new directions for the nation's beleaguered economy.

Among other things, Mr Jiang's 38-point recommendations include the drastic curtailment of capital construction, constricting consumer demand, and tightening up on credit.

The plenum will give the central Government added authority to screen and restructure companies, depress the "private sector" of individual and rural enterprises, and enhance state control over the marketplace and over prices.

Mr Jiang's report also stresses the need for improvement in agriculture and the supply of basic consumer items while a severe reduction in the speed of China's economic growth is carried out.

To boost national coffers, Mr Jiang recommends "increasing the proportion of revenues in national income, and increasing the central Government's share in total revenues". Tax collection will be rendered more efficient.

The plenum is expected to approve moves to squeeze regional governments—especially fast-growing Guangdong Province—for a significantly larger contribution to Beijing.

Some of Mr Jiang's suggestions have political as well as economic significance.

For example, among the 38 proposals are "beefing up legal construction," "upholding the struggle against corruption," "enhancing construction of spiritual civilization" and "enhancing the organization and leadership of reform".

These steps will further enhance the authority of the party and promote the status of party cells in government as well as business units.

According to the latest issue of the Hong Kong business weekly CHINA REPORTER, a major controversy of the plenum will be overways and means to promote economic efficiency.

Quoting authoritative sources, the weekly reports that reformist-minded cadres want to spur productivity by "changing the renminbi's exchange rate, reforming prices, relaxing credit control, increasing wages and expanding the responsibility system".

Conservatives, who apparently dominate the Central Committee, however, do not approve of such radical steps as devaluing the renminbi or boosting the money supply.

They instead contend that the state must strengthen management of large- and medium-sized government enterprises, promote control over the circulation of raw materials and products, and abrogate some forms of the responsibility and contractual systems.

Vacancies To Be Filled

HK0611013989 Hong Kong SOUTH CHINA
MORNING POST in English 6 Nov 89 pp 1, 10

[By Willy Wo-lap Lam]

[Text] Two moderate technocrats are poised to be elevated to the Chinese Communist Party Politburo at the fifth plenum, which opens today [6 November].

Chinese sources say that if, as is likely, the Central Committee plenum decides to fill the three Politburo seats left vacant since the spring, Mr Zhu Rongji, mayor and party boss of Shanghai, and Mr Zou Jiahua, Minister of Machinery and Electronics Industry, have excellent chances of being promoted.

The original 18-member Politburo, which was voted into office during the 13th party congress in late 1987, has lost three members. Former party General-Secretary Hu Yaobang died on April 15. Mr Zhao Ziyang, another party chief, and Mr Hu Qili, a liberal ideologue, were dismissed from their positions in the fourth plenum in late June.

Both Mr Zou and Mr Zhu have reputations as moderate technocrats. While ideologically conservative, they are deemed by Western analysts as committed to the reform and open door policy.

An engineering graduate from the elite Qinghua University, Mr Zhu, 60, has been mayor of Shanghai since 1987 and party boss since last June, when his predecessor Jiang Zemin was promoted to general-secretary.

Since traditionally, the party bosses of China's three directly administered cities—Beijing, Shanghai and Tianjin—are entitled to places on the Politburo, Mr Zhu's promotion is widely expected.

In recent speeches, he has called on Beijing "not to roll back existing reform policies" unless they have been proven through exhaustive experiments to be detrimental to the economy.

A popular politician in his home base, Mr Zhu has won international acclaim for simplifying procedures for foreign companies that want to set up business in China.

Mr Zhu's rising star is attested to by the fact that he was the lowest-ranking leader that former President Richard Nixon met last week.

Head of the "super-ministry" of machinery and electronics since early 1988, Mr Zou Jiahua, a Soviet-trained engineer, is considered a shade more conservative than Mr Zhu.

A former head of the defence industrial establishment, Mr Zou favours central planning and more emphasis on heavy industry.

However, Western businessmen who have worked with Mr Zou say that if only because Chinese industry needs Western technology to survive, Mr Zou will insist on continued economic links with the capitalistic world.

Son-in-law of Marshal Ye Jianying, Mr Zou is also tipped to be promoted to vice-premier should a vacancy fall open, most likely early next year.

Mr Zou's growing influence is evident from the fact that he is the most senior official to have been invited to visit the West since the June 4 Tiananmen Square crackdown. The 63-year-old minister is due to visit Japan next January.

There is fervid speculation in Beijing as to who will fill the third vacancy.

Western diplomats say that hard-liners within the party are pushing the candidature of police chief Wang Fang and Beijing mayor Chen Xitong. Both Mr Wang and Mr Chen played key roles in suppressing the "counter-revolutionary rebellion" in June.

A protege of patriarch Chen Yun and of Qiao Shi, a member of the Politburo Standing Committee, Mr Wang has won the respect of the party for the efficient way in which the security establishment has rounded up dissidents and other disaffected members of society since June 4.

In addition, sources say, President Yang Shangkun, who is also executive vice-chairman of the Central Military Commission, is grooming his brother Yang Baibing to be an alternate member of the Politburo.

Mr Yang is the Army's hard-line chief political commissar.

Analysts in Beijing say the reshaping of the Politburo depends on the power struggle going on in the party.

"With the recent departure of Hu Yaobang, Zhao Ziyang and Hu Qili, the Politburo is heavily weighted in favour of conservatives," a Western diplomat said.

"Depending on the result of the tug of war, the plenum could expand the Politburo beyond 18—or keep it down to the present 15."

Who will be inducted says a lot about the remaining influence of senior leader Deng Xiaoping.

Analysts say that if the patriarch still wants his reform program to continue, he will have to use his formidable influence to promote officials such as Mr Zhu Rongji.

The elevation of hard-liners such as Mr Wang Fang and Mr Yang Baibing into the party's highest council, however, could confirm the decline of the Communist Party's liberal faction and spell a virtual end to reform.

Political sources in Beijing say it is unlikely that the plenum will vote on the retirement of Mr Deng from his only remaining post of Central Military Commission (CMC) chairman.

While Mr Deng had hoped to anoint Mr Jiang Zemin as his CMC successor within this year, the fact that Mr Jiang lacks military credentials means that the changing of the guard is likely to be postponed to the next party plenum in 1990.

Economic Policy Proposals Cited

HK0511052889 Hong Kong CHING CHI TAO PAO
in Chinese No 44, 6 Nov 89 pp 6, 7

["Well-Informed Sources Forum" article by Yan Jan (6056 0086): "Central Work Conference Discusses 38-Point Policy Proposals"]

[Text] Responsible persons of the central and local party and government have gathered in Beijing recently to attend the 5th Plenary Session of the 13th CPC Central Committee and the Central Work Conference, a preparatory meeting held prior to the plenary session.

It has been reported that the Central Work Conference which lasted a week focused on discussing the policy proposals drafted by the State Planning Commission on improving the economic environment, rectifying the economic order, and deepening economic reform in the coming 3 years. After reaching a unity of thinking, the proposals have been submitted to the fifth plenary session for approval.

There are altogether 38 policy proposals. In light of the principle of integrating the planned economy with market regulation proposed by Deng Xiaoping, the guidelines for the policy proposals are: Moderately stress the nature of planning and concentrate economic and administrative forces to resolve the serious problem of inflation.

The 38-point policy proposals mainly include: analysis of the current economic situation, the great significance of improvement and rectification, the specific target of improving the economic environment and rectifying the economic order in the coming 3 years, curtailing the scope of investment in fixed assets, exercising control over consumption demand, tightening finance and credit, readjusting the industrial setup, developing agricultural production, readjusting the township enterprises, reorganizing the administrative companies, strengthening management over the market and prices, improving the enterprise contracted management responsibility system, vigorously promoting enterprise technological progress, developing the double-increase and double-economy drive in depth, improving the investment environment, developing the three kinds of

foreign-invested enterprises, increasing exports and controlling imports, further restructuring the foreign trade and foreign exchange system, increasing the proportion of revenue in national income and that of central revenue in state revenue, perfecting the taxation system, giving full play to the backbone role of large and medium-size state enterprises, strengthening the building of legality, upholding the struggle against corruption, strengthening the building of spiritual civilization, and strengthening leadership over the work on improving the economic environment, rectifying the economic order, and deepening economic reform. These policy proposals actually serve as the program for economic work in the coming 3 years.

Prior to and during the Central Work Conference, personages from the theoretical and economic circles and deputies attending the conference held heated discussions on how to extricate ourselves from the current economic difficulties. The discussions were focused on how to increase economic efficiency and settle the problem of revenue falling short of expenditure. Regarding this question, there are basically the following two views: First, promoting improvement and rectification work with reform which includes readjusting the exchange rates, price reform, easing the money market, increasing wages, and implementing the contracted responsibility system to stimulate market demand, reduce financial subsidies, and increase tax incomes. Second, promoting improvement and rectification with readjustment, that is, rectifying the circulation order by strengthening management over enterprises, promoting technical transformation of old enterprises, increasing investment in energy, communications, and basic facilities, and paying close attention to scientific and technological progress to increase economic efficiency and revenue. This view holds that the enterprise contracted responsibility system cannot continue along the old path. It is necessary to change repayment of loans and contracting before tax payment into repayment of loans and contracting after tax payment so as to check the rapid growth in enterprise retention of profits. The practice of trades and localities assuming responsibility for their finance and the foreign trade departments assuming responsibility for their foreign exchange has increased the benefits of the departments and localities. However, it is not conducive to increasing the interests of the state. Hence, it should also be reformed.

Some high-level personages believe that the overtightening in improvement and rectification at the previous stage has led to a decline in economic life and has increased the difficulties for enterprises to support themselves. If this state of affairs continues, it will aggravate the economy and affect social stability. While continuing the tightening policy, it is necessary to guard against rashness and to implement the policy step by step. We should ensure continuity and relative stability of the policy and "never try to make a quick turn." It is necessary to ease the money market accordingly so as to

put an end to the decline in production and gradually resume the vitality of economic life.

Li Ruihuan Comments on Plenum

OW0411152189 Tokyo KYODO in English
1505 GMT 4 Nov 89

[Text] Beijing, Nov. 4 KYODO--A Chinese Communist Party Politburo member said in a meeting with a group of Japanese journalists Saturday [4 November] that the party will open a plenary session of its Central Committee shortly to discuss economic issues.

Li Ruihuan, a member of the Standing Committee of the party's Political Bureau, said the plenary session has not yet opened as of Saturday, indicating the possibility it would start Monday, members of the Japanese journalists' group said.

Meanwhile, the Hong Kong-based weekly economic journal, JINGJI DAOBAO, reported Saturday that the Central Committee's plenary session will start Monday.

Li indicated the session will not discuss a personnel reshuffle, including paramount leader Deng Xiaoping's retirement as chairman of the party's military commission, saying the session will focus on economic policies, the journalists said.

Li also declined to say when the Chinese authorities will lift martial law in Beijing.

But Li did say: "The earlier the better. I don't will won't take much time," the journalists said. [sentence as received]

Li also said the party is considering how to treat ousted former General Secretary Zhao Ziyang.

Li declined to comment on political and economic reforms in Eastern Europe but indirectly criticized developments there by emphasizing the cause of socialism.

China hoped to promote relations with Japan based on China's often-stated five basic principles, including mutual respect and peace, the journalists quoted Li as saying.

Jiang Zemin, Li Peng Address Nationalities Issue

OW0311184389 Beijing XINHUA Domestic Service
in Chinese 1504 GMT 3 Nov 89

["Local Broadcast News Service"; by reporters Cao Shaoping (2580 4801 1627) and Zheng Qingdong (6774 1987 2639)]

[Text] Beijing, 3 Nov (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, and Li Peng, Standing Committee member of the Political Bureau of the CPC Central Committee and premier of the State Council, pointed out here today that strengthening unity

among the country's different nationalities is an important focus of work in this area. Hostile forces both at home and abroad are trying to use the nationalities issue to tear apart the motherland and undermine unity among our nationalities. We should maintain high vigilance and resolutely expose them.

At the Great Hall of the People this morning, Jiang Zemin, Li Peng, Wan Li, Xi Zhongxun, Ngapoi Ngawang Jigme, Liao Hansheng, Fei Xiaotong, Ismail Amat, and other leading comrades received directors of the nationalities committees of people's congresses from various provinces, autonomous regions, and municipalities under the direct administration of the central government. The directors are holding a national conference here.

Speaking to the directors, Jiang Zemin said: Right now, the situation of unity among the nationalities in our country is quite good. However, as seen from the recent turmoil and counterrevolutionary rebellion which took place in Beijing, we can also see that some of the so-called "elite" who went abroad have colluded with the hostile forces who are trying to split our nation in an attempt to undermine unity among the nationalities of our country, thus affecting China's overall stability and unity. As long as cadres of all nationalities conscientiously do a good job in carrying out their work in strengthening unity among the nationalities, these people's plots are bound to fail.

Jiang Zemin expressed the hope that the nationalities committees of the people's congresses and the broad masses of cadres in the country would strive even more to comprehensively unite the people of various nationalities, and post even greater achievements in carrying out nationalities affairs.

In his speech, Li Peng pointed out: China is a unified multinational socialist country. Unity among the nationalities guarantees China's prosperity, as well as being a fundamental guarantee to overcoming all kinds of difficulties at present. He said: During the past 40 years since liberation, especially the past decade since the implementation of the reform and opening policy, China's minority nationalities have scored tremendous achievements in the fields of politics, economy, culture, science, technology, education, and others. We have entered a new historical period in fostering unity among all nationalities.

Li Peng emphatically pointed out: To strengthen unity among all nationalities is the most important task in our work concerning nationalities. He said: We have learned a profound lesson from the recent turmoil and counterrevolutionary rebellion: that hostile forces in certain countries are unwilling to give up their attempt to topple our socialist system. They adopt many methods of subversion. One of them is to undermine unity among the nationalities. Although our current situation in fostering unity among the nationalities is fine, we should still not lower our guard.

Li Peng pointed out: We must take various measures to secure all the rights of the minorities in the big family of

China's nationalities, and to improve the lot of those with relatively backward economies, education, and culture. The issue of unity among the nationalities is of great significance in building the entire nation. If the nationalities issue is handled well, the country will be united and stable, and all our nationalities will thrive and attain lasting prosperity.

Also present at the meeting were Yu Wen, Aisin Giorro Fujie, Tao Aiyang, Li Xuezhi, Li Gui, Puncog Wangje, Cao Zhi, Zhang Shengzuo, and other comrades.

Li Ruihuan on Principles for Selecting Cadres

HK0511075489 Guangzhou N. FANG RIBAO
in Chinese 28 Oct 89 p 6

[Excerpts from ZHUZHI RENSHI BAO (ORGANIZATION AND PERSONNEL DAILY): "Li Ruihuan on 10 Principles for Selecting Members for Leading Bodies"]

[Text] Comrade Li Ruihuan proposed 10 principles for selecting members for leading cadres not long ago.

1. To determine the leading members, it is necessary to listen to opinions extensively, with democratic recommendation, discussion, and assessment conducted on a wide scale. Such practice will avoid unhealthy tendencies among a small number of people in the appointment of cadres, while cadres' sense of democracy will be augmented.

2. It is imperative to select those who are sound in ideological consciousness and moral character, and honest and upright in their ways. To them, being officials means to subject themselves to sufferings, while power in their hands means bearing responsibilities.

3. A good leading body is one that worries about the nation and plans for the people. The concept of handling affairs includes willingness, boldness, and ability to work. Some people may be very eloquent in their speeches, but their eloquence can be quite useless. Others are capable of providing as many "prescriptions" as possible, and comprehensive ones at that, but none of their prescriptions help in curing diseases. Candidates in these two categories will easily get the overwhelming majority of votes in an election, but they should never be appointed to the leading body to guarantee its success.

4. Importance should be attached to a well-knit structure of the leading body. A sound leading body must have each of its members being strong in a certain domain, and when they are grouped together, the body's comprehensive functions will be given full play.

5. In assessing a leading cadre, his accomplishments in government are primary. Those who manifest an enterprising spirit should be selected to the leading bodies, whereas those who pursue a connection network should go.

6. A correct view should be acquired regarding the merits, shortcomings, and characteristics of a leading member. A leading cadre with outstanding merits is the very one we need.

7. Efforts should be made to determine the definite views, subjectivism, self-assurance, or complacency of a leading cadre. Sagacity, resoluteness, and ability to make resolute decisions are the basic essentials of a leading member; this also finds expression in being able to prevail over all dissenting views while persisting in his own view. Should such persistence come to be fruitless, when it is still difficult to tell right from wrong, he could be regarded as being subjective and self-conceited. By no means should we select good-for-nothing and unprincipled persons to the leading body on the grounds of opposing subjectivism and complacency.

8. It is necessary to correctly understand those who have insights, talents, and are able to make contributions. Contributions involve not only talents or political integrity, but also courage and resourcefulness.

9. Jealousy of the able and virtuous should be guarded against. The able will fail to be selected if such jealousy is not guarded against with necessary measures.

10. The promotion and demotion of cadres should be made constant and institutionalized. Those cadres who are able to handle affairs for the state are eligible for their posts; therefore, they may be selected to a second term of office. Horizontal and vertical flow of cadres should be advocated with regards to those who are not eligible at leading posts. Cadres can be demoted as well as promoted, they can become officials and common people alike.

Li Ruihuan Inspects Housing Area in Tianjin

SK2910112689 Tianjin TIANJIN RIBAO in Chinese
9 Oct 89 pp 1, 3

[Text] Yesterday afternoon [8 October], Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, inspected the residential area of low-priced houses sold as commodities in Shuanghuan village in Tianjin, at which time he pointed out: Building low-priced commodity houses is an effective way for solving the housing problem of the residents and a correct way for reforming the urban housing system. It is necessary to sum up experience, consider this work as one of the important tasks of doing solid things for the people, and persist in continuously carrying out the work and doing a better job.

As soon as Li Ruihuan entered Shuanghuan village, he visited a family to listen to residents' opinions about the purchase of commodity houses. Wang Jianbo and Yu Fengzhi, workers of the forging press tools plant, who got married during National Day, firmly held the hands of Li Ruihuan and said repeatedly: "Thank you very much for visiting us despite many claims on your time." Li Ruihuan said smilingly: "You bought a new house and got married. A double blessing has descended upon your

house. We should congratulate you on this happy occasion." Li Ruihuan examined the newly furnished house and asked them about the situation in moving into that new house. The young couple was very pleased, treated the mayor with candies for the marriage occasion, and let the mayor share their happiness. After that, Li Ruihuan went to the house of Liang Jixia, a worker of a power machinery plant, to ask him cordially about the price of her house. Liang Jixia told him the exact figure: "4808.89 yuan." Li Ruihuan asked: "Is this sum being saved by you or is it being borrowed from someone else?" Liang Jixia said: "I did not have enough money, so I borrowed some." After hearing this, Li Ruihuan said emotionally: The price of your house is just enough to buy a large color television. This accords with the purchasing power of most people. Even though you do not have enough money, you may borrow some from your parents or brothers. This will help you solve the problem. This will help solve the big problems of the masses who are in need of houses. On hearing of Li Ruihuan's arrival, the residents in the neighborhood gathered in front of the window of Liang Jixia and talked with the mayor. Some said: Thank you very much for helping us—the workers and staff members—solve the biggest difficulty in our livelihood. Some said: All of us miss you and are reluctant to let you go. Li Ruihuan said smilingly: I feel relieved to leave because I know you are happy.

Li Ruihuan said goodbye to the residents and instructed the responsible persons of the municipal departments concerned accompanying him to increase their efforts to plant trees during winter. He said: The housing density here is big. You may find a plot of land to serve as a place for activities. Li Ruihuan also went to the newly-constructed Chuanfuli housing community by car and inspected that area.

Li Ruihuan said: Generally speaking, the housing problem is still the current prominent problem in the urban areas. This is also the most urgent problem in the people's livelihood, with which the masses are most concerned. All residents should have a place to live in. When we talk about listening to opinions from the masses and serving the masses, we must not neglect to solve the housing problem. This is a difficult problem, which leaders should exert strenuous efforts to study and solve. Over the past few years, the tense housing situation of the urban residents has been slightly alleviated. However, we must not slacken our efforts. We must continue to conscientiously treat this problem and pay great attention to it.

Li Ruihuan pointed out: Dense population and a poor foundation are the basic national conditions of our country. At present, our country has encountered some economic problems. Therefore, the scope of investment in capital construction must be cut back. We are also short of funds for investment in projects concerning people's livelihood. It will be impossible for us to solve the housing problem of the residents by merely relying on the state financial strength.

Our country's rural areas have a population of 800 million. The housing problem has been basically solved in a fairly good manner. The most important reason for this is that the peasants built their own houses. In solving the urban housing problem, we must mobilize the enthusiasm of the state, enterprises, and workers and must adopt various forms simultaneously. The practice of having Tianjin build low-priced commodity houses, the state engaging in building large-scale urban construction supporting projects, enterprises taking responsibility for building small urban construction projects, and residents buying houses with their money will help make up for the shortage of funds for building houses and solve the urgent need of the residents' livelihood. This is a way to commercialize houses and is a successful experiment in reforming the urban housing system.

Li Ruihuan said: I maintain that this work can be done in a better way. It is necessary to sum up our experience, including strengthening management, improving designs, continuously completing the supporting projects, and planting trees and grass. The most important thing is to do what we can to reduce the construction cost. "Low-priced goods with reliable quality," such as houses of not too of a high construction cost but with fairly good quality, fit the national conditions and the actual purchasing power of most of the residents. In short, in solving the housing problem, we must proceed from the national conditions, the needs of the masses, and the economic situation. At present, the standards of building houses sold as commodities should not be too high. We must consider whether we have enough money to build houses or not and whether the residents have enough money to buy them or not, so that the means of solving the housing problem will become greater.

Li Zhendong, Hu Xiaohuai, and Li Jianguo and responsible persons of departments concerned attended yesterday's activities.

Peng Zhen's Remarks on 4 Jun Incident Reported

HK0611044589 Hong Kong MING PAO in Chinese
6 Nov 89 p 2

["Feature" by staff reporter: "According to a Person From Beijing, Peng Zhen Called for an End to Disputes To Avoid a Shipwreck"]

[Text] Although 5 months have elapsed since the 4 June incident, there are still many people who do not know the inside story, resulting in a great deal of conjecture. For example, how did the senior statesmen who were regarded as the main policy decisionmakers think at the time?

A well-informed person from Beijing recently disclosed to this reporter the remarks of Peng Zhen, one of the senior statesmen, when he was informed that the Army had opened fire and was quelling the rebellion on 4 June.

He said something like: "Now the ship is sinking. The pressing task at the moment is to get across the river in this ship before it sinks rather than to discuss which direction to take."

When the student movement was spreading like wildfire in May, it is said that this senior statesman frequently sent his trusted followers to observe and find about the situation in Tiananmen Square and asked them to report on the latest developments to him. Therefore, he was quite aware of the situation.

When he was informed about the Army opening fire, he immediately sent his trusted followers to conduct investigations and verify the facts. Therefore, he was aware of the unbelievable truth. If this is true, the situation was very confused and things were changing very quickly at the time. Even some top CPC leaders were not fully aware of the actual situation. It is believed that the question of why the decision to dispatch troops to suppress the students was made at that time will not be disclosed for many years. Peng Zhen's remarks are now being circulated mainly in Beijing's political circles. It is hard to tell whether they are true or not.

Li Tieying, Song Jian Meet With Professor

*OW0511005289 Beijing Television Service
in Mandarin 1100 GMT 2 Nov 89*

[From the "National News Hookup" program]

[Text] The ceremony at which Zhou Peiyuan and Wang Dicheng's donation of ancient paintings was recognized and at which the exhibition of those paintings was opened took place at the Palace Museum in Beijing on 1 November.

Prof Zhou Peiyuan and his wife Wang Dicheng have been living a plain life for decades and using their wages and other income to collect a large number of precious and rare ancient paintings and calligraphy which disappeared and were scattered throughout society. They have expended great efforts to preserve and great contributions to protect precious cultural relics of the motherland.

In order to carry forward the traditional culture and art of the motherland, Prof Zhou Peiyuan donated 145 pieces of ancient paintings and calligraphy which he and his wife had collected throughout their lives to their native hometown Wuxi City. The Wuxi City People's Government presented a letter of commendation and a cash award to Professor Zhou and his wife and decided to establish a special room for their paintings in the Wuxi City Museum to remember their goodwill forever.

Zhou Peiyuan said that the cash award would be used to award young people who have made achievements in scientific research work and have helped promote activities to popularize science among youngsters in their native place.

Song Jian, Lei Jieqiong, Qian Weichang, Zhao Puchu, Lu Jiaxi, and Hou Jingru attended the ceremony.

On 31 October, Li Tieying, member of the Political Bureau of the CPC Central Committee, visited Zhou Peiyuan, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, at his home and expressed his gratitude for Zhou and his wife's efforts to protect a large number of ancient paintings and calligraphy and for their donation of those ancient paintings and calligraphy to the state. Li Tieying expressed his high respect for their noble and patriotic spirit and selfless and sublime character. [Video shows Song Jian sitting at a table during the ceremony and Li Tieying sitting together with Zhou Peiyuan on a sofa in Zhou Peiyuan's residence]

Reporter Interviews Procurator General

*HK0311131889 Beijing RENMIN RIBAO in Chinese
20 Oct 89 p 5*

[Report by staff reporter Mao Lei (3029 4320): "China's Procuratorial System Is Constantly Improving—Interview With Liu Fuzhi (0491 1788 0037), Procurator General of the Supreme People's Procuratorate"]

[Text] On the occasion of the 40th anniversary of the founding of the PRC, I visited Liu Fuzhi, procurator general of the Supreme People's Procuratorate. This official, the fifth procuratorate general since the founding of the PRC, clearly stated: "Over the last 40 years our Republic has engaged in an indomitable struggle to establish a socialist legal system, to perfect socialist democratic politics guaranteeing that the people's democratic rights, personal rights, and other rights are not infringed, and to perfect the socialist legal system and safeguard socialist construction. In this struggle, procuratorate organs at all levels have faithfully used the functions given to them by the Constitution and the law and have fully brought into play their role in legal supervision."

It is understood that during the 10 years of turmoil of the "Cultural Revolution" our country's procuratorial work was suspended for a time, but in 1978 the procuratorial organs were revived and reestablished. Supreme People's Procuratorate statistics show that over the last 10 years procuratorial organs have approved the arrest of over 3.32 million people and decided to prosecute over 3 million. Cases of economic crimes investigated involving corruption, taking bribes, and so on by state workers totalled over 230,000, with the value of direct economic losses recovered by the state and illicit money and goods retrieved totaling close to 2 billion yuan. Cases investigated involving the infringement of citizen's rights and interests and personal rights and interests, such as illegal detention, extorting confessions, dereliction of duty, malfeasance, and so on, totalled over 60,000.

In these 10 years, the procuratorate in its investigation and supervision activities, at the same time as examining

and approving arrests and prosecutions requested by the public security organs, has also refused to approve the arrest of over 350,000 persons, refused to prosecute over 40,000 persons, and arrested and prosecuted over 80,000 offenders. In judicial supervisory activities, appeals were lodged in respect of court judgements in over 18,000 cases.

What relationship is there between procuratorial work and reform and opening up?

The procurator general, who is 72 years old, held: "The establishment and development of the procuratorial organs and procuratorial work is very closely related to the consolidation and development of the state and with the development of socialist democracy and the legal system. It should be said that the reestablishment and development of the procuratorial organs is one of the results of the state's overall reform, a result of the establishment of socialist democracy and a socialist legal system. The prosperity of the economy is intimately related to the guarantees of the legal system. Economic development and economic reform and opening up are also the social basis and material basis for the development of the procuratorial system. Procuratorial work firmly serves stability, unity, economic construction, and reform and opening up. The work of the state legal supervisory organs is an important level in guaranteeing the legal system and these organs will positively participate in the creation of a fine economic order and a rule-by-law environment. Practice during the last 40 years has shown that the procuratorial system is an indispensable component of our country's political system and that without a complete and effective legal supervisory system, there will be no way to have socialist democracy and a socialist legal system."

According to statistics, throughout the country there are now 3,491 procuratorates with a procuratorate force of nearly 170,000 officers.

I asked: "What experiments have been conducted in recent years in the reform of the procuratorial system?"

Li Fuzhi explained that since the Seventh NPC [National People's Congress] was convened, the procuratorial organs have carried out some quite major reforms. These have included: making the struggle against corruption and bribery, and firmly cracking down on serious criminal activities, the two focal points of procuratorial work; establishing and strengthening self-restraint mechanisms within procuratorial organs; developing crime reporting work and establishing a people's crime reporting system; in accordance with the law, strengthening investigation work in respect of corruption, taking bribes, and law and discipline cases; conducting experiments in legal supervision of civil and administrative litigation; the drafting of the "Public Procurator Law" to promote the standardization and systematization of reporting offences and put this into a legislative form; and increasing the degree

of transparency of procuratorial work and making it more subject to the supervision of the masses and public opinion.

In talking about the reporting of offences we naturally touched on the fight against corruption and bribery. What role do the procuratorate organs play in this struggle?

Liu Fuzhi said that fighting corruption and bribery and striking at economic crimes is one of the focal points of the work of the procuratorial organs. He gave me some data and it appears from this that since July of last year, when the Supreme People's Procuratorate required procuratorial organs throughout the country to engage in crime reporting work, until today, 3,006 procuratorates have established crime reporting centers or report telephone lines and the procuratorates in all large and medium cities have developed this work. Over the last year, the various report organs have received 352,000 reports. Of these, those relating to corruption and bribery total 134,000. The procuratorate organs are now engaged in investigating these reports and a total of 19,000 cases have already been registered for prosecution. Of these, major cases involving over 10,000 yuan total 4,295.

Liu Fuzhi indicated that the gradual systematization of the report system, and giving it a legislative base so that it becomes an important part of state political life, is the common desire of the masses and the judicial workers and is also a goal which the procuratorial organs strive toward.

When discussing the issue that "supervisory organs must also accept supervision," Liu Fuzhi openly pointed out that some problems still exist in the work of procuratorial organs. For example, law enforcement is not strict, supervision is not stringent and, in some areas, the understanding of the relationship between developing the economy, strengthening the legal system, and striking at economic crime is not very deep. A very small number of cadres have relaxed their vigilance and activities have appeared involving violation of the law and discipline which have affected the reputation of procuratorial organs and harmed the image of the people's procuratorial force. Thus, the procuratorial organs must pay great attention to the issue of "supervisory organs having to accept supervision" and must actively accept the supervision of the people's congresses and their standing committees. In fact, the various levels of procuratorial organs have reported on their work to the People's Congress Standing Committee at their level, requested the leaders of the People's Congress Standing Committee and the people's representatives to inspect their work, seriously handled proposals by the people's representatives, accepted requests for explanations, and accepted complaints and appeals from the masses. In these various ways they are accepting supervision. At the same time, they have also adopted various forms by which to widely accept the supervision of the masses and the

media. The procuratorial organs are also paying attention to the establishment of internal self-supervisory mechanisms and are forming a quite complete and tight self-supervisory system.

Liu Fuzhi was elected China's highest procuratorial official at the First Session of the Seventh NPC in April 1988. This procurator general, who has more than 40 years of experience in public security and judicial work, finally told me that the reform of the procuratorial system has just begun, that the task was a heavy one, and that the road would be long. Only through unwaveringly adhering to the four cardinal principles and opposing bourgeois liberalization, and by unwaveringly serving economic construction, reform, and opening up, would it be possible to ensure the continued deepening of the reform of the procuratorial system and to achieve new advances in building a procuratorial system with Chinese characteristics.

NPC Standing Committee Announces Appointments

HK0311100589 Beijing RENMIN RIBAO in Chinese
1 Nov 89 p 2

[XINHUA report: "Namelist of Appointments and Dismissals by the Standing Committee of the National People's Council, Approved at the 10th Session of the Standing Committee of the 7th National People's Congress [NPC] on 31 October 1989"]

[Text] 1. Dao Anju [0430 1344 1565] (Dai nationality), Yang Wengui [2799 2429 6311] (Li nationality), Nuer-mohemaiti Reyisi [0505 1422 5459 0678 6314 2251 3583 5902 2448] (Kazak nationality), and Peng Ying-ming [1756 5391 2494] (Tujia nationality) are appointed members of the Nationalities Committee of the NPC.

2. Wang Songda [3769 1345 1129] is appointed member of the Overseas Chinese Affairs Committee of the NPC.

3. Sun Bosheng [1327 3124 3932], Zhang Wenxue [1728 2429 1331], Li Shimin [2621 0013 2404] (female), Yang Jinqi [2799 6855 3825], Yin Dezheng [1438 1795 2398], Li Tianshun [2621 1131 7311], and Jia Jianbin [6328 1696 2430] are appointed judges of the Supreme People's Court.

4. You Lin [2589 2651] is dismissed from the post of deputy secretary general of the Standing Committee of the NPC.

5. Wang Qi [3769 1142], Xu Peiran [1776 3099 3544], Li Duo [2621 6995], Chen Zhiming [7115 1807 2494], and Zhang Kun [1728 6924] are dismissed from the post of a judge of the Supreme People's Court.

6. Wang Qingchuan [3076 1987 0278] is dismissed from the post of a procurator of the Supreme People's Procuratorate.

RENMIN RIBAO Article Faults Fang Lizhi

HK0611100089 Beijing ZHONGGUO XINWEN SHE
in Chinese 0748 GMT 6 Oct 89

["RENMIN RIBAO Criticizes Fang Lizhi and Western-Style Political System"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 6 Nov (ZHONGGUO XINWEN SHE)—A signed article carried in RENMIN RIBAO, which criticizes Fang Lizhi, says: The viewpoints on Western-style democracy preached by Fang have misled some youths. However, Western-style democracy is actually a "dictatorship of a small number of persons of the bourgeoisie over the majority of the laboring people." The article stresses: "Indiscriminately copying" the Western-style democratic patterns "will never work."

In recent years, the following idea was once prevalent in the academic field of mainland China: The basic viewpoint of "democracy" and "freedom" contained in the theories in democracy and the politics of the West is a common wealth of the civilization of mankind. It must not be eliminated, or rejected merely because of its "class nature."

This article carried in RENMIN RIBAO, which is written by Yu Min [0151 2404], maintains: Capitalist democracy is a "democracy enjoyed by a small number of capitalists," and "a dictatorship of a small number of persons of the bourgeoisie over the majority of the laboring people."

The modern Western-style political structural pattern has taken the parliamentary system as its core. In the meantime, it also pursues the general election system, multiparty system, and the separation of the three kinds of powers. Yu's article repudiates all these systems except the general election system. The article continues: "Seizing on a certain imperfection of the socialist democratic forms," Fang Lizhi has "exaggerated" the remnants of the feudal ideology in reality, "vilifying" that the existing system in China is feudalism covered with the paint of socialism. His purpose in saying so is to abolish the leadership of the CPC, and to overthrow the socialist system.

Yu's article stresses: The Western parliamentary system follows a form of referendum to elect legislators. But the parliament is actually "controlled" by the bourgeoisie, and the laboring people are not allowed to enter the parliament. Therefore, it cannot represent public opinions.

The article discusses the occupations of the U.S. congressmen and parliamentary members of Great Britain, and comes to a conclusion that they are owners of enterprises, financiers, owners of farms or livestock farms, government officials, lawyers, and so on. But none of them represent the workers or peasants. In the Chinese National People's Congress, there are representatives of workers, peasants, intellectuals, cadres and

others. It can, therefore, reflect the "essence that the people in our country are the masters of their own affairs."

Yu's article also criticizes the Western system of the separation of the three kinds of powers based on Montesquieu's theories, saying that the principle of mutual constraint no longer works, and that it gives a false appearance of democracy. It emphasizes: When contradiction occurs, the parliament generally follows the president, namely, the government. The government is the representative of financial groups. Therefore, all of the state's power is actually manipulated by the monopoly capitalists.

The article cites Deng Xiaoping's viewpoints that the one-chamber system of the National People's Congress in China is the most suitable for our national conditions. If the policies are correct, we can derive great benefits from the system, because there are less complications in it. If the policy is wrong, neither the one-chamber nor the two-chamber system is useful.

Reporter Interviews Mao Zedong's Grandson

HK0411030189 Hong Kong HONGKONG STANDARD
in English 4 Nov 89 p 1

["Exclusive" interview with Mao Zedong's grandson by Cheung Po-ling of HONGKONG STANDARD China desk—place not given]

[Text] The current wave of nostalgia for the late Chairman Mao Zedong has brought his grandson Mao Xinyu hundreds of admiring letters from all over the country in recent months.

Bewildered by the abrupt surge to fame and public attention, the 19-year-old history-major sophomore of the People's University of China told The HONGKONG STANDARD yesterday [3 November] that "I want to be treated like an ordinary person and do my own bit for the betterment of my country".

He said: "I think the only way I am different from my classmates is that I read more books. History, geography, philosophy and various kinds of books.

"Fame has come too early for me. Nevertheless, I think I'm mature enough to cope."

He said he had received about 200 letters last year and more than 250 this year so far—most of them since August when the "reminiscence of Mao Zedong" began on China's campuses.

Some are love letters from admiring young women, while others focus on discussions about Mao and other historical and academic issues.

"I have replied to some of the letters, like those with distinct views on my grandfather, which do not just praise his past achievements but also have a genuine understanding of and respect of him.

"I also like to reply those letters asking my opinions about some academic problems. As for love letters, well usually I would tell the girls to keep the friendship by writing."

Asked if he had a girlfriend, Xinyu seemed embarrassed. "Not yet," he said, "but I know a girl who has the potential to become my girlfriend."

Xinyu acknowledged that persistent pursuit by the press was one of the few things that made him feel uneasy in his new role.

There have been reports that he has become a key figure in his university who constantly calls meetings for his schoolmates to discuss his grandfather.

"My mother has been very angry with me, saying that I shouldn't have said too much about my grandpa and should concentrate more on my studies and writing," he said.

As a result, he apologised, he could talk about himself in the interview, but not in detail about the late chairman.

Describing his grandfather as a "great man", Xinyu said he hoped he would also become one of the leaders in China some day and do something good for his country.

He said he intended to write a book on the history of China's minorities. "In the past, the minorities had been in a state of disunity. And I think it was my grandfather who gave them a guiding ideology which showed the way for them to make contributions to China.

"To supplement what my grandfather did, I want to write a book depicting the history of the various minorities. I hope the book could shatter the present barriers and animosity among them and further unite them."

Xinyu spoke admiringly of the 1950s and 1960s when Mao Zedong spearheaded the construction of New China.

"Chinese people displayed outstanding ability to endure hardship and work hard in this period.

"I have special admiration for them because they devoted their labour and effort for the betterment of the country and successfully built up a new society."

He stressed, however, that China's improvement was far from satisfactory, singling out education.

"Many people are still illiterate and even those who have the chance to enter the tertiary institutions would find many shortcomings," he said.

Museum Curator Discusses Exhibition on Rebellion

OW0311003489 Beijing Domestic Service in Mandarin
2230 GMT 1 Nov 89

[Text] About 1.6 million Chinese and foreigners have visited the exhibition on the quelling of the Beijing counterrevolutionary rebellion since it opened on 31

July. The exhibition is cosponsored by the propaganda department of the General Political Department of the People's Liberation Army, the propaganda department of the Beijing Municipal CPC Committee and the Chinese People's Revolutionary Military Museum. The reporters recently interviewed (Ruan Jiaxing), deputy curator of the Military Museum. He told the reporters:

[Begin (Ruan Jiaxing) recording] The exhibition, with more than 2,000 material objects, photos, video recordings, and written materials, shows to people a whole picture of the soul-stirring political struggle that happened in Beijing in late spring and early summer this year. It exposes the truth and essence of the turmoil and the counterrevolutionary rebellion; reflects the wise policy decisions made by the party Central Committee, the State Council, and the Central Military Commission, and the great contributions made by the proletarian revolutionaries of the older generation. It also sings the praises of the historic feats performed by the People's Liberation Army, the Armed Police Force, and the public security personnel in the special struggle to defend the People's Republic. Everything on display there is historical evidence which greatly attracts the attention of the visitors. The exhibition attracts a large number of visitors—ranging from some 10,000 to more than 30,000 daily. Sometimes, the exhibition hall is very crowded, even though it is a big hall. Many visitors have written something in the comments book.

A teacher at the (Taiping) Middle School in Hanyin County of Shaanxi Province said: Since carefully viewing the exhibition for 4 and ½ hours, I have learned many facts, received an intensive education in patriotism and revolutionary heroism, and understood more clearly the essence and historical significance of the struggle to quell the counterrevolutionary rebellion. After I return home, I will tell the students and other teachers what I have seen, heard, and felt here so that they will also be educated and inspired as I have been educated and inspired.

The exhibition has also educated the students of universities and colleges in Beijing. After visiting the exhibition, some students said during discussions: Since we have visited the exhibition, we have understood more about the nature of the students' unrest, turmoil, and rebellion. In the past, we acted on impulse and thought that our intentions were good and that we did not do anything wrong despite bad people's attempts to manipulate the situation. The exhibition has provided us with very good teaching materials. There were indeed a handful of so-called elite who, with ulterior motives, took advantage of the students' childishness and extremeness to instigate the students. As we couldn't control ourselves, we caused great losses to the party and the people. We were also to blame.

Thousands of compatriots from Hong Kong, Macao, and Taiwan, as well as Overseas Chinese were among the visitors. After visiting the exhibition, they said: We will

write down what we have seen here and use the ironclad facts to expose the lies and schemes of some reactionary political forces abroad.

In their messages and letters, many foreign visitors have expressed their hope that the exhibition will also be held elsewhere so that more people can know the truth and be educated. At present, similar exhibitions, with materials copied from this exhibition, are being held in more than a dozen provinces, municipalities, and autonomous regions. Those provinces, municipalities, and autonomous regions think that the exhibition will play a very good role in opposing bourgeois liberalization and in carrying out education against subversion and against peaceful evolution. [end recording]

CPC Essential to Socialist Modernization

HK0311124389 Beijing JIEFANGJUN BAO
in Chinese 10 Oct 89 pp 1, 4

[Article by Zhong Can (6945 3605): "Socialist Modernization Must Uphold Leadership of the Communist Party"]

[Text] CPC Secretary General Jiang Zemin pointed out in his important speech on the National Day that "after long-term practice, it is an accurate choice of the people to have the CPC as the core leadership of the Chinese Revolution and construction." However, for a period of time, the advocates of bourgeois liberalization smeared and opposed the Communist Party leadership. They stirred up ideological confusion among the masses, especially the youth, and many people are not clear as to why Chinese modernization must adhere to Communist Party leadership. As former secretary general of the CPC, Comrade Zhao Ziyang was passive about the four cardinal principles, relaxed on ideological education, and in effect, weakened the leadership of the party, so that for a long time this problem has not been properly resolved. The riot that took place in the capital but spread all over the nation has made us realize all the more clearly that we must educate the masses, especially the youth, so that they are convinced of the status and function of the CPC in the process of Chinese modernization and that without the leadership of the CPC there will not be any modernization.

Only by Adhering to the Leadership of the Party Can We Guarantee the Socialist Orientation of Modernization

An important basis of the advocates of bourgeois liberalization in their negation of the party leadership is their negation of the socialist nature of China's modernization. Fang Lizhi and the like preached all the time that all modernizations are the same, that there is no distinction between socialism and capitalism, and that therefore Chinese modernization need not adhere to the leadership of the CPC. Under the influence of bourgeois liberalization, some young people pointed out that without Communist Party leadership, modernization is still possible in the United States and Japan. In response

to this absurd view, Comrade Deng Xiaoping pointed out time and again that our four modernizations are socialist modernizations, not other kinds of modernization. In other words, there is always a socialist orientation in our modernizations.

Our modernizations are built on the foundation of ownership of means of production characterized mainly by public ownership. The goal is to satisfy the people's growing material and cultural demands, to create wealth for all laborers alike, to build China into a strong, democratic, and civilized socialist nation, and on this foundation to further raise the level of Chinese modernization so as to eventually realize communism. On the other hand, capitalist modernization is built on the foundation of capitalists owning the means of production. Its goal is to squeeze all the surplus value. It is a modernization in which a small minority exploit and rob the majority resulting in disparity between the rich and the poor. There is a fundamental difference between the two. Reform and opening up is introduced in the process of modernization. The goal of this is to better develop the socialist economy and make good use of socialist superiority. Practice has proved that to adhere to the socialist orientation of modernization and the socialist nature of reform and opening up, we must follow the leadership of the Communist Party, otherwise we will be victims of adversity.

We must also realize that our construction, reform, and opening up face very complicated domestic and international environments. Although class struggle is no longer a major conflict in socialism, it still has a long-term presence to a certain extent. Sometimes it even intensifies. All kinds of hostile elements still conduct activities to damage the socialist system and construction economically, politically, ideologically, and socially. The anti-communist and antisocialist political forces of certain Western capitalist nations also try every means in futility to stage a peaceful evolution. They want to include China in the system of international capitalism, put China under their control, and in effect make China a dependent country. In order to adhere to the socialist orientation and principle of independence and self-reliance in modernization, reform, and opening up, to check the damage by hostile elements and encroachment of corrupt ideology, and to resist the penetration of the anticommunist and antisocialist forces of capitalist nations, the leadership of the Communist Party can only be strengthened and not weakened. Least of all should it be abolished.

Only by Adhering to Party Leadership Can We Find a Road to Modernization Suitable for China

Any nation wishing to modernize must start from its conditions and situation. To build socialism in a large and backward Oriental nation like China, we can neither blindly transfer the ideas of the founders of Marxism and Leninism nor blindly copy the experience of other socialist nations. We can only start from China's reality, "combine the general truth of Marxism with China's

reality, take our own road, and build a socialism with Chinese characteristics." This is a conclusion from our long-term historical experience. Since the 3d Plenary Session of the 11th CPC Central Committee, we have summarized the experience and lessons from socialist construction. In the practice of reform and construction, we have gradually formulated a fundamental line, direction, and policy with "one focus, two basic points" as the essence. This unites the adherence to the four cardinal principles and adherence to reform and opening up and to developing the productive forces in economic construction. Therefore, we have found a road to modernization that suits the reality of China, and have won, not with ease, 10 years of impressive development in socialist modernization, and created conditions for continual development. The reason for the CPC's ability to find a suitable road to modernization lies in the guidance of Marxist-Leninist-Mao Zedong Thought, our flesh-and-blood relationship with the people, and our practice of the mass line of our coming from and returning to the masses. As long as we stick to the guidance of Marxist-Leninist-Mao Zedong Thought, rely on the wisdom and practice of the masses, and conclude in time from the new experience in modernization, we will be able to smoothly realize socialist modernization.

Only by Adhering to Party Leadership Can We Pool Together the Strength of the Entire Population To Realize Modernization

Socialist modernization is the undertaking of millions and millions of people. Without the will to strive for it and without the close cooperation of all the people in the nation, completion of this heroic undertaking will only be empty words. In the course of nearly 70 years, the CPC has pooled together large groups of advanced elements and fine personnel that are willing to contribute to the strengthening and transformation of China. It has integrated the masses to a very broad extent and formed a great force for the revolution and modernization. Comrade Deng Xiaoping pointed out in the cadres' meeting convened by the central government in 1980 that "China has always been called a state of disunity. However, since our party became the ruling party and the core that unites the whole nation, the division has come to an end. As long as the leadership of our party is correct, we will be able to unite not only the strength of the entire party but that of the entire population as well and carry out great undertakings."

That the CPC has such a powerful integrative and centripetal force is fundamentally because it is composed of vanguard fighters of worker background with a communist consciousness and that its goal is to work for the interests of the vast majority. The interests of the communists never disagree with those of the proletariat and the masses. The party is the faithful representative of the people's interests. The goal of all party work is always the interests of the people. Therefore, only the Communist Party can mobilize and unite the people, can be self-reliant, struggle arduously, and build up the nation through thrift and hard work. Only the Communist

Party can use a correct line and common ideal to unite the will and action of the entire population. Only the Communist Party can use its own propaganda work, ideological work, and model action to guide the vast majority to correctly deal with the relationship between national, collective, and individual interests, current and long-term interests, and partial and overall interests, so as to mobilize all positive factors to strive toward modernization.

Only by Adhering to Party Leadership Can We Redress the Faults, Eliminate Corruption, and Guarantee the Smooth Progress of Modernization

A very small handful of people who have for a long time adhered to bourgeois liberalization grasped some faults of the party in its work, exaggerated the corruption in the party, and incited people by saying that Communist Party leadership is "the stumbling block in Chinese modernization" and that it has "slowed down and stopped" social development in China. We have to admit that in leading China to modernization, the CPC has several times committed mistakes, one of which was the Cultural Revolution. At present, in the reform and opening up and reinvigoration of the economy, a handful of people in the party and state organs, failing to stand the test, have become corrupt. All this is fact. However, we must realize that many of these faults emerged during the search. Chinese socialist modernization is a pioneer undertaking without a precedent or available experience and models to learn from. We can only proceed through exploration. Therefore, some faults are inevitable. Objectively speaking, there is no such thing in the world as an all straight and unwinding road. In leading such an unprecedented socialist modernization in a large nation like China, it is impossible not to commit any mistakes, nor can it be guaranteed. The key is that it is precisely the Chinese communists that have the courage to admit their mistakes, expose them, and are determined to redress them. They also have the ability to overcome all sorts of difficulties in the course of progress. The profound changes that emerged during the 10 years of reform and our present effort to deepen the reform has adequately illustrated this point. True, there has been much corruption in the party in the last few years. However, in general the majority of the party members and cadres are law-abiding, honest, and self-disciplined. The great achievement in our modernization in the last 10 years is inseparable from the whole-hearted devotion to public duty and arduous struggle of the majority of party members and cadres. This is also an undeniable fact. The party Central Committee has pointed out quite clearly that we must be firm about reform and opening up and activating the economy, but that we must be as firm about our honesty and determination to avoid corruption. This is our basic direction. In the last few years our party has always grasped honesty as a priority. The party committee and government at all levels have, in improving and rectifying the economic sphere, adopted a series of measures to fight corruption. They have had some success and accumulated some new experience. Especially after curbing the riot and putting

down the counterrevolutionary rebellion, at the 4th Plenary Session of the 13th CPC Central Committee, the party Central Committee again presented to the entire membership of the party in a clear-cut manner the question of punishing corruption and reinforcing honesty. The plenary session of the Political Bureau of the party Central Committee convened recently resolved that seven tasks which are of concern to the masses be dealt with in the near future. All this shows that our party is determined to fight corruption and can eliminate corruption and maintain honesty at the same time when the economy is prosperous. Therefore it is able to lead the Chinese Revolution and construction from victory to new victory.

Article Examines Problems Confronting CPC

HK0211152089 Hong Kong CHENG MING in Chinese No 145, 1 Nov 89 pp 6-9

["Notes on the Northern Journey" by Lo Ping (5012 0393): "The Three Hard Knots That Annoy the CPC"]

[Text] When "heroes of suppressing the counterrevolutionary rebellion" were giving a report at a secondary school, students clapped their hands for a long time with the aim of.... The masses are using violence to fight violence and the number of cases of explosions on trains has increased. A case of a train explosion and it going off the rails happened on the Nanning-Chongqing Railway. The CPC is not satisfied with the democratic reform in Eastern Europe and Wang Zhen talked unceasingly about "the center of world revolution moving to the East." Deng Xiaoping intends to fully retire under the condition that the Army environment must be in the interests of Jiang Zemin succeeding him. To establish a stable environment in the Army, Deng will transfer some veteran Army leaders to the National Defense Committee. To assist Jiang Zemin take over military power, Xu Xin, deputy chief of general staff of the People's Liberation Army [PLA], might suddenly come to the fore. Yang Shangkun, Wang Zhen, and others are doubling their efforts to expand the "troops under their direct control" to foil Deng's plan of handing over military power to Jiang Zemin.

The fierce and brutal ruler has brought bitter cold to the people but he himself has got bogged down in a desperate predicament. This is the case with the present ruling clique in the CPC.

After the "4 June" incident, the three major issues that have annoyed the CPC have become more serious and have been turned into hard knots. These three major issues are: first, contradiction between the party and the people; second, the economic crisis; and third, the scramble for military power.

Silence, Shots, and Explosions

After the "4 June" incident it seemed as if the situation was quiet but people were actually uneasy and perplexed.

The contradiction between the CPC ruling clique and the people has not "eased" either.

There is a famous saying by a theoretician of the Second Communist International: "Movement is everything." In mainland China, democratic movement is at a low ebb but this does not mean that it has been killed. When millions upon millions of the people remain silent, this should be regarded as a kind of movement. We call this noncooperative movement. Due to the fact that intellectuals refuse to cooperate the names of many famous writers no longer appear in newspapers and journals. Since workers refuse to cooperate, labor productivity falls rather than increases. At a political class in a certain secondary school in Beijing, "heroes of suppressing the counterrevolutionary rebellion" intended to give a lecture. Students clapped their hands for a long time. It seemed that they wanted to accord the speakers a warm welcome. Actually, they clapped their hands as long as they could, so that the "heroes" could not speak. This was a manifestation of a noncooperative movement.

Due to the fact that such methods of struggle as demonstration, hunger strike, protest, and so on no longer work, some radical youths are compelled to use nonpeaceful and irrational methods to resist the despotic rule, including firing guns, explosions, and so on. According to an estimate by the CPC Public Security Department, there are a score of "counterrevolutionary organizations" in Beijing. Some are organized by local residents and others are mainly composed of students returned from abroad. CHENG MING reported in September that there had been 28 train explosions throughout the country. But communist Chinese media only reported one or two of these cases. Recently, there was an explosion on the Nanning-Chongqing Railway and the train went off the rails. The CPC Propaganda Department issued an order prohibiting the media from reporting the case. A reporter took some photos of it and passed them on to me through many hands. It seemed that the incident was serious. I do not favor the plan of using irrational methods to resist despotic rule, let alone using them to give vent to personal spite. However, all these examples of resisting despotic rule show that the contradiction between the rulers and the people has been intensified, rather than eased. Under the present condition, the main manifestation of the intensification of the contradiction is neither shooting nor explosion but the silence on the part of the people.

Actually, the fact that many democratic movement activists fled abroad also shows that the flame of the movement has not died out. Without the shielding and assistance of local people and organizations it is unimaginable that those activists could go into hiding at home, or flee abroad.

The Democratic Movement Abroad and Changes in Poland and Hungary Have Poured Oil on the Fire

Two kinds of democratic force abroad have greatly stimulated and encouraged the people on the mainland.

The first is the democratic movement organizations which have been established abroad one after another. According to public security personnel responsible for censoring postal matters, some mainland youths wrote letters to foreign countries at the risk of their lives, demanding to join the democratic movement organizations (they will definitely be persecuted and people must take warning from it). The second democratic force comes from Eastern Europe. The people's democratic movement and political reform in Poland, Hungary, and East Germany, and Poland and Hungary in particular, have enabled intellectuals and students on the mainland to see the bright prospects of the democratic movement. They do not believe that there will be no hope for China. Of course, the CPC diehards have very much hated the democratization in Poland and Hungary. They pretend to be calm. They are actually fierce of countenance but frail within.

On the eve of "National Day" Chen Yun said: As long as China remains unchanged there is still hope for the international communist movement.

While meeting with leaders of the martial law enforcement troops Wang Zhen said ferociously: "China must have backbone. We must flaunt the banner of the four upholds from generation to generation! The CPC will not change color ever! Recently, some people in the Chinese Academy of Social Sciences said that the 'center of world revolution has moved to the East.' I agree with this view! We, China, must become the Jinggang Mountains of the world revolution!"

No matter how those old guys fly into a rage, or feel uneasy at the changes in Eastern Europe, the days in which Mao Zedong could urge the Soviet Union to send troops to suppress the people's uprising in Hungary have gone forever. The bloodless revolution in Poland and Hungary has bitterly attacked the autocratic rule of the CPC and added oil to the underground fire in mainland China.

Actually, the CPC itself is also intensifying its contradiction with the people. Large-scale arrests, searches, and executions since the bloody massacre have enraged the masses, although they are suppressing their rage for the time being. (According to a recent report, Su Ding, director of the Institute of Western and Eastern Culture and Art under Sichuan Academy of Social Sciences was invited last November by Arizona State University of the United States to visit the state as a visiting scholar in 1989. When Su was buying a plane ticket at Beijing Airport he was arrested by the public security personnel. It was reported that he had been brought back to Chengdu on an unproven charge of "liberalization.")

If the policy decision makers of the CPC are incorrigibly obstinate, the hard knot of political crisis will remain unchanged.

Policy decision makers of the CPC are fond of using the term "passing a barrier" but they are unable to pass the economic barrier.

Stagnation, Weakness, Shortage, Deficit, Recession

All the syndromes of the economy have appeared: "shortage of funds," "inadequate power and transport capacity," (these are Li Peng's words) stagnant production, weak markets, shortage of foreign exchange, huge debts (foreign debts amounted to \$40 billion, comparable to Poland which has the largest amount of debts), financial deficits.... It can be said that the economy has all kinds of illnesses and serious complications.

Because of a shortage of funds, raw materials, and power, one-third of Beijing's medium enterprises were forced to stop production or maintain half production capacity. Three million township and town enterprises across the nation collapsed. Twenty percent of the state-run enterprises lost money in the first half-year. Therefore the national economy is now in a condition resembling a sick person who can neither live nor die.

CPC policy is: At present, only the major state-run enterprises will be protected (for example, Beijing Iron and Steel Works, Beijing Internal-Combustion Engine Factory, and China National Petro-Chemical Corporation), while the major joint-venture projects will also be protected. Other enterprises cannot be protected.

But there is one "miracle" appearing in the market and that is that the prices of many commodities have decreased. For example, video cameras, which have been eagerly sought items with a price of 4,000-5,000 yuan each for brands such as Sony, made in Japan, are now sold at 2,000 yuan. Coca Cola, which has been sold at 4 yuan per can is now sold at less than 1 yuan. On the other hand, the market has not become active because of price decreases. Paradoxically, it is characterized by stagnation and recession. The five major shopping arcades, including Beijing Department Store and Xidan Shopping Arcade, have daily turnovers amounting to only 57 percent of the turnover in the same period last year and 30 percent compared to the same period the previous year. Recession in the market and the decrease in business volume have certainly affected industrial and agricultural production and therefore bonuses could not be distributed. This situation has aroused widespread discontent in society. In addition, the method of assigning quotas of treasury bonds has caused big reductions in income earned by cadres. Many people feel increased pressure in their lives.

The main agenda for the 5th Plenary Session of the 13th CPC Central Committee is to discuss economic problems but the senior level of the CPC has no good plan to solve the problems. The State Council has repeatedly postponed drafting a sensible report or plan. Li Peng, as he used to do in the past, has tried to pass the responsibility to Zhao Ziyang, accusing him of causing economic difficulty. But Li Peng has been premier for 2 years. Can he really shirk the responsibility?

"Being Unconvinced," "Scrambling for Higher Positions," "Injuring People by Underhand Means," and "Conducting Both Open Strife and Veiled Struggle"

Scrambling for military power is another hard knot for the CPC.

Due to the fact that conflicts exist between Yang Shangkun, vice chairman of the Military Commission, and Deng Xiaoping, Deng Xiaoping will not consider Yang as a candidate for his successor. In the past, he once planned to let Hu and Zhao succeed him but never thought of Yang Shangkun. However, Yang has succeeded in dismissing Hu and Zhao from their post of party general secretary in succession. Now he sets his eyes on another party general secretary.

During the period from the second half of September to 15 October, Deng repeatedly listened to reports by Jiang Zemin, Li Peng, and the Military Commission. When listening to a work report by the Military Commission, Deng openly praised Jiang twice saying: "Comrade Jiang Zemin has been working at the central level for several months. The work of the central authorities is outstanding. This is obvious to all. He has made a good start." On the afternoon of 13 September, Deng Xiaoping listened to a report on the Fifth Plenary Session by the Political Bureau Standing Committee and other leaders of the relevant central departments in the Great Hall of the People. He once again affirmed the work of the new leading body. He stressed with a definite object in view: "If we consider qualifications and arrange ranks according to seniority, it is not the turn to promote Comrade Jiang Zemin." He added: "After the 3d Plenary Session of the 11th CPC Central Committee, we repeatedly stressed that the idea of considering qualifications and arranging ranks according to seniority must be given up. However, dispute arose once it involved specific persons. This was nothing but being unconvinced or conducting both open strife and veiled struggle. Many central comrades have suffered a lot from this." He continued: "What did they dispute about? In what did they emulate each other? They emulated each other in party standing, Army standing, and age in order to scramble for higher positions. When they failed to scramble for fame and gain they injured people by underhand means or found fault with them." At whom did Deng Xiaoping direct his spear of attack (quoted above are original remarks by Deng)? Whom did he accuse of "scrambling for higher position," "injuring people by underhand means," "being unconvinced," or "conducting both open strife and veiled struggle?" Everybody knows the answer. It was reported that after hearing the remarks Yang Shangkun was depressed for several days.

With the Purpose of Succeeding Deng, Jiang Zemin Has Been Making Continuous Contact With the Military

Deng Xiaoping required Jiang Zemin to step by step acquaint and familiarize himself with work in the Army. On Deng's instruction, beginning on the eve of "August

1st" Jiang Zemin has on many occasions participated in Central Military Commission meetings in his capacity as general secretary. A circular issued to all large units in the Army by the Central Military Commission states: "According to the spirit of the instructions by Chairman Deng Xiaoping and Vice Chairman Yang Shangkun, reports by all large Army units to Chairman Deng and Vice Chairman Yang must simultaneously be submitted to Comrade Jiang Zemin. Important issues in the Army must be reported to Comrade Jiang Zemin and his permission sought." In the second half of September, Jiang Zemin listened to a report by Xu Xin, deputy chief of General Staff. The word in high military circles is that the young and capable Xu Xin will be a new force coming to the fore in the military.

In accordance with Deng's instruction, the Central Military Commission has arranged for Jiang Zemin to make preliminary troop inspections from toward the end of this year through the first half of next year. The schedule includes listening to reports on political and ideological work by units such as the Air Force, Navy, and University of Science and Technology for National Defense.

All this is done to enable Jiang Zemin to understand and familiarize himself with the Army in order that in the future he will have the capacity to control the Army and to take up the heavy responsibility of chairman of the Central Military Commission. Senior military personnel estimate that before he hands over power, Deng Xiaoping will launch another extensive shuffle of the leading authorities in various military regions and various arms and services, in which veteran senior Army generals who have retreated to the second line will be transferred to the Committee of National Defense and take up posts as committee members, which does not carry any real power. It is possible that Yang Shangkun will become vice chairman of the National Defense Committee.

The One Necessary Condition for Deng Xiaoping's Retirement

The retirement of Deng Xiaoping has been a major focus for foreign press and opinion circles, on which there have been numerous reports. According to news from senior Army authorities, despite Deng Xiaoping's repeated requests to be relieved from the chairmanship of the Central Military Commission, the CPC central authorities have decided that the issue of Deng's resignation has to be subject to approval by the National Party Congress. With a view to the current major international climate and China's own minor climate, the Standing Committee members of the Political Bureau have unanimously agreed: "At present, there is still the need for the whole party and Army to retain the proletarian revolutionaries of the older generation, with Comrade Deng Xiaoping as the shining head and the firm rock in midstream." This statement is quoted from supplementary material issued by the CPC central authorities to

various large units across the country concerning the convocation of the 5th Plenary Session of the 13th CPC Central Committee.

According to the opinion of some military personnel, whether Deng Xiaoping can retire as quickly as possible depends not on the agreement by the delegates at the party National Congress, but on his success to create a stable environment in the Army. This opinion has grounds. Deng Xiaoping's arrangement to let Jiang Zemin contact the Army is precisely one of the measures for the creation of such an environment. What then, are the other measures? Sources say that Deng Xiaoping has decided to have a large patch of veteran cadres, including Yang Shangkun, Wang Zhen, and the rest of them, retreat to the second line next year. Persons such as Chen Yun, Deng Xiaoping, and Li Xiannian discussed this problem in a get-together shortly after the National Day celebrations. They have agreed in principle that to let a patch of comrades of the older generation retire in happy mood will help further define and consolidate the leading core of the third generation. However, Deng Xiaoping must continue for a while to be chairman of the Central Military Commission.

Deng Has Decided To Retire Yang but He Does Not Want To Step Down

The problem now is: Will Yang Shangkun, Wang Zhen, and others step down? Will they let Jiang Zemin, who has even less military experience and is even less affiliated with troops than Hua Guofeng (who was for a time chairman of the Central Military Commission following Mao's death) lead the whole Army? Sources from inside the Army say Yang Shangkun, Wang Zhen, and others are ill disposed to stepping down. Deng Xiaoping has repeatedly exhorted people "not to resent" and this was aimed primarily at the attitudes of people such as Yang Shangkun, Wang Zhen, and the rest of them. The fact that they—Yang, Wang, and others—are stepping up their efforts to organize troops under their direct control, represents their counter move. This contradiction will certainly intensify.

A more serious problem is: What if Deng Xiaoping "departs to see Mao Zedong" before he successfully creates that "environment in the Army" and hands over his power to Jiang Zemin? Will Jiang Zemin be able to take over as planned by Deng Xiaoping? Military personnel predict that should that happen, there would be a fierce scramble for military power, possibly even coups, and by then Jiang Zemin would not only fail to secure the Central Military Commission's chairmanship but would be deposed from the throne of general secretary.

This is an irremedial knot as well as a fatal wound for the CPC. But, viewed from another angle, this also represents a historical turning point for an upsurge of the prodemocracy movement.

The Blaze of the Prodemocracy Movement Will Raze the Autocratic Rule to Ashes

It does not seem likely that the CPC can untie these hard knots but, if it acts the way the Hungarian Socialist Workers' Party and the Polish United Workers' Party have been doing, launching political reform and democratization, there is still the chance that it may untie the knots. On the other hand, if the CPC fails to absorb Hungary's and Poland's experiences, or if the reform factions inside the CPC are not sufficiently strong in willpower and strength to conduct political pluralization and the reform of marketizing the economy, then it is certain that the fire of the prodemocracy movement will rage ever more strongly and in the end will raze the autocratic rule to ashes.

No Policy Change Expected in Graduate Enrollment

*HK0411083489 Beijing CHINA DAILY in English
4 Nov 89 p 1*

[By staff reporter Zhang Lin]

[Text] No major policy change is expected in next year's graduate enrollment and studies despite the student unrest this year, a spokeswoman for the State Education Commission (SEC) said yesterday [3 November].

"Our policy is, as usual, to encourage more excellent college graduates and professionals with working experience to apply for graduate studies programmes," said Zheng Shoucheng, an official of the State Education Commission.

The number scheduled for graduate enrollment next year is 30,000, roughly the same as this year, said Zheng Shoucheng, vice-director of the Department of Higher Education with the SEC.

The scheduled enrollment of master degree candidates will be 25,000 while doctoral students will total 5,000, said Zheng.

The state will encourage those college graduates who are enrolled in graduate programmes to get work experience at grassroots units for a year or two before they start their graduate studies, Zheng said.

The competition for entering graduate training programmes is expected to be hard again as this year's practice of assigning college graduates to work in grassroots units has made students give second thoughts to the idea of furthering their studies, Zheng explained.

Science & Technology

Multiple Applications for Nuclear Energy Explored

*HK0511082089 Beijing JIEFANGJUN BAO
in Chinese 20 Oct 89 p 19*

[Report by Xue Ren (5641 0088): "A Nuclear Test Base Boldly Opens Up New Fields in Nuclear Energy, Nuclear Technology, and Peaceful Utilization of Nuclear Energy"]

[Text] A nuclear test base opened another two factories turning out products for civilian use in September this year. That was a new action by this test base in opening up new fields in nuclear energy, nuclear technology, and peaceful utilization of nuclear energy.

It is learned that by direct application of nuclear technology to production in the test base-run factories, the processing of products to render services to economic construction and people's livelihood has been a bold attempt of the test base to open up nuclear energy, nuclear technology, and peaceful utilization of nuclear energy.

The test base has presented some 100 results of scientific research since 1987. Some of the results have been awarded national prizes for important progress in science and technology; some were the first of their kind in China; others have been put into production in batches; and still others have already created marked economic results and social benefits. They have each contributed to making nuclear energy and nuclear technology bring benefits to mankind.

With the strategic shift in the guiding idea of science, technology, and industry for national defense, the test base has readjusted its scientific research and managerial structure, with a special technological development center for civilian purposes set up to be in specific charge of the selection of topics, information gathering, and organizational coordination. Eight organs of scientific research under the test base currently are doing research in this domain.

Compared with some foreign specialized research institutes in exploring nuclear energy, nuclear technology, and the peaceful utilization of nuclear technology, the test base has scored pleasing progress even in a very short time since such undertakings began. They have succeeded in developing the first "automatic apparatus for blade surface," which is capable of observing the growing conditions of plants through analysis of the blade surface by applying optical and electronic technologies. Such apparatus can be used widely in forestry and farming and has drawn the attention of experts at exhibitions held in Beijing and Shenzhen. Transmitting lasers through optical fibers to break up blockages in human blood vessels has been proven highly effective in the treatment of heart disease, coronary heart disease, and thrombus. By adopting the technology of nuclear radiation, scientists at the test base have succeeded in developing an electronic (impulse) static electric accelerator for

detecting flaws in products, thus improving product quality by finding a solution to a most difficult problem. The newly developed lightning monitor is capable of monitoring the distance of lightning and the direction of its movement and whether it will cause danger. When this monitor is installed in civil airports as a lightning-proof device, it will have the effects of an eye and an ear. The technology of radioactive atomic analysis has already been adopted by several hospitals in Xian to analyze whether the organizational factors and elements of human cells are normal in diagnosing the nutrition, disease, and health condition of the human body....

In the course of developing the peaceful utilization of nuclear technology, the test base has widened its perspective and knowledge through social contacts and external exchanges; consequently, the test base's level of scientific research and automation have greatly improved, while its economic income has been on the rise.

Commission Summarizes Flood Prevention Experiment

Song Jian Attends Briefing

OW0111154189 Beijing Domestic Service in Mandarin
1200 GMT 27 Oct 89

[Text] China has made a breakthrough in an experimental application of remote-sensing flood prevention. Song Jian, state councillor and minister of the State Science and Technology Commission, attended a large briefing held by the State Science and Technology Commission at the Ministry of Water Resources on 26 October. He greeted the scientists and technicians participating in the remote-sensing flood prevention experiment.

China has been plagued by many natural disasters in the past. In the last 2,000 years or more, China has been hit by some 1,600 major floods, some 1,300 bad droughts, and some 800 destructive earthquakes. Recent years show that the average annual economic losses caused by natural disasters were as high as scores of billions. [currency not specified]

To accelerate the modernization of our flood prevention and reduce losses to people's lives and property, the Ministry of Water Resources and other concerned departments, organized by the State Science and Technology Commission, have for 3 consecutive years conducted remote-sensing flood prevention experiments on the Yongdinghe, the lower reaches of the Huanghe, the Dongtinghu area, and the Huaihe. They made breakthroughs every year. During the experiment on the lower reaches of the Huanghe in 1988, they set up a comprehensive remote-sensing information system for constantly monitoring the status of floods on the Huanghe. According to experts, the system is the first one ever built in China, and so far they have not heard any reports of any similar system in the world.

Data Bank Established

OW2710012089 Beijing XINHUA in English
1643 GMT 26 Oct 89

[Text] Beijing, October 26 (XINHUA)—China has established a data bank and a remote sensing information system to monitor flood dangers in the Yellow River, Huaihe, and Dongting Lake, according to the Ministry of Water Resources.

The remote sensing technology can be used in monitoring the happening, development of flood dangers at night over 10,000 meters in the sky in cloudy weather.

The pictures are clear and easy to identify. This has helped cut the time by 13 to 18 hours to transmit flood information to the flood control headquarters as compared with conventional facilities, a distinguished scientist from the Chinese Academy of Sciences said.

Song Jian, state councillor and minister of the State Science and Technology Commission, said today in an appraisal meeting that China is a country often hit by various disasters. In spite of the government's effort to combat them since the founding of the People's Republic, China still lags behind the developed countries in disaster control due to its vast land area and complicated geographical and geological conditions, and the disasters cause dozens of billion yuan in economic losses.

However, by applying modern technology of remote sensing, telecommunications, and information, China may accurately and timely monitor disasters to help minimize economic losses. Therefore, "it is a scientific and technological work of pressing importance to control disasters," Song said.

At present, China has set up a special committee to control disasters in answering the call of the 42d UN General Assembly held in 1987 to make the next 10 years a decade of international effort to control natural disasters.

Gansu Province Leads China in Solar Energy

OW2810050189 Beijing XINHUA in English
0215 GMT 28 Oct 89

[Text] Lanzhou, October 28 (XINHUA)—Solar energy has come into wide use in China, according to participants at a recent international symposium on the utilization of solar energy in developing countries being held here.

A number of large enterprises that produce solar energy products have been set up and many installations have been erected in China, which has some of the richest solar resources in the world.

By the end of 1988, one million square meters of solar energy panels and structures had been set up and one million square meters for water boilers had been put in use.

700,000-kilowatt solar power generating installations, 11,000 square meters for solar desiccators, and 110,000 solar ranges have been fitted and put into use in the country.

Gansu Province, called the "land full of sunshine" by foreign experts at the symposium, is the leading region in the use of solar energy.

Four centers for research and production of solar energy, construction of solar houses and ranges, and the comprehensive use of solar energy have been set up in Gansu.

As an official from the United Nations Development Program said, in China—a country with 800 hundred million people living in rural areas—the use of solar energy has great prospects.

China Makes Headway in Astronautic Surveying

*OW3110143489 Shanghai Voice of Puijiang
in Mandarin to Taiwan 1000 GMT 16 Oct 89*

[Text] In the 10 years since our first oceangoing astronautic survey fleet set sail from Wusongkou of Shanghai on its first voyage to the South Pacific Ocean, China has made rapid progress, attracted worldwide attention, and scored great achievements in astronautic surveys by oceangoing ships.

Recently, China's oceangoing astronautic survey ships Yuanwang No 1 and Yuanwang No 2, after routine repair and maintenance, again left their birth place, the Jiangnan Shipyard in Shanghai, to await a new mission. In the last 10 years, scientists and technicians on those ships have constantly reviewed experiences, used the latest Chinese and foreign technologies, and made great efforts to find out and reduce survey errors; they have constantly improved the accuracy of the shipboard surveys so that it has exceeded the required level of accuracy set by the (General Administration) [zong shu].

In the last 10 years, China has constantly improved its ability in shipboard astronautic surveying. The improvement is shown by the reduction of the number of ships and personnel in each mission. While it required several ships to accomplish a mission in the past, it requires only one ship now. The personnel required has been reduced by two-thirds. China now conducts several astronautic survey training exercises a year, while in the past, it conducted one such exercise in several years. In 1988, the astronautic survey ships successively accomplished three missions and the volume of work was equal to the total of several preceding years.

Military

Li Ruihuan Visits Tianjin Garrison District

*SK2810053889 Tianjin TIANJIN RIBAO in Chinese
7 Oct 89 p 1*

[Text] Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau, went

yesterday afternoon to the Tianjin Garrison District to hold cordial talks with Army leaders. He expressed hope that the fine relations between the Army and the local authorities and between the Army and the people would be maintained and promoted continuously and that new contributions would be made in consolidating and developing Tianjin's excellent situation. For many years Li Ruihuan has been a colleague and old friend of leaders and veteran comrades of the garrison district. They talked cordially together to review the friendship and unity between the Army and the government and between the Army and the people. They also recalled the achievements in the Army-people joint activities to build spiritual civilization and encouraged one another. This fully manifested the sincere and profound revolutionary friendship among them.

Li Ruihuan said: Over the past few years, Tianjin has maintained an excellent situation of unity between the Army and the government and between the Army and the people. The Army and the local people have exerted joint efforts to build a new Tianjin. We can say that the good Army-government and Army-people relations have played an extremely important role in maintaining stability in Tianjin. We hope that both the Army and the local authorities will treasure the achievements gained in maintaining unity between the Army and the local authorities and between the Army and the people, treat such relations with an attitude of great responsibility to the party and the people, and continue to consolidate and develop the already established close friendship. The Army and the local authorities should always exchange information and actively create more favorable conditions and opportunities to cement the Army and the local authorities together to maintain a good trend of unity in their common work and specific activities.

Li Ruihuan said: The local authorities should care for and support Army building and continue to help it resolve practical difficulties. The Army and the local authorities should jointly study ways to unceasingly improve the living conditions of the Army in the course of displaying the Army's role in local economic construction.

With the approval of the party committee of the Beijing Military Region, Tan Shaowen, secretary of the municipal party committee, will concurrently serve as the first secretary of the party committee of the Tianjin Garrison District.

Tan Shaowen said: We should, as always, consolidate and promote the achievements in unity between the Army and the government and between the Army and the people made during the time when Comrade Li Ruihuan took charge of the work in Tianjin, safeguard unity between the Army and the local authorities and between the Army and the people, strive to fulfill our tasks, and successfully carry out Tianjin's work together with the Army comrades.

Mayor General Zheng Guozhong, commander of the garrison district, and Mayor General Lan Baojing, political commissar, gave speeches at the forum. They said: During the past few years, when Comrade Li Ruihuan served as secretary of the municipal party committee, municipal mayor, and first secretary of the party committee of the garrison district, he was very much concerned about the building of our Army, militia and reserve forces, showed great support for them, attached great attention to consolidating and developing the Army-government and Army-people relations in Tianjin and made Tianjin one of the best cities in the whole country in such relations. We are determined to conscientiously implement the guidelines of Comrade Li Ruihuan's speech, do a better job in building the Army and the national defense reserve forces under the leadership of the municipal party committee and the municipal government, and make new contributions to building the two civilizations in Tianjin.

Nie Bichu, deputy secretary of the municipal party committee and acting municipal mayor; Liu Jinfeng and Zhang Lichang, deputy secretaries of the municipal party committee; and Li Jianguo, secretary general of the municipal party committee, attended the forum. Also present were other leading comrades of the garrison district, including Mayor General Yang Zhihua, Senior Colonel Chen Deyi, and Senior Colonel Zhang Zhen.

Yang Baibing Addresses Chengdu Army Leaders

HK2610002589 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 25 Oct 89

[Text] On 25 October, Colonel General Yang Baibing, director of the General Political Department, cordially met cadres at and above divisional level of the organs of Chengdu Military Region and made an important speech. He demanded that the Army always keep politically up to the mark, and that the southwest border defenses be built into border defenses that cause the Central Military Commission no worries.

Director Yang Baibing was speaking before he and the work group headed by him leave the Chengdu Military Region after more than 20 days of investigation in the region's units. Present at the gathering were Lieutenant General Fu Quanyou, commander of Chengdu Military Region; Colonel General Wan Haifeng, political commissar, and leading comrades of the military region Liao Xilong, Zhang Taiheng, Ma Bingchen, Hou Shujun, Ai Weiren, Li Shuo, Tao Bojun, Shao Nong, and Wang Shilin.

Director Yang affirmed the marked achievements in Chengdu Military Region's political work, military training, and logistics work in recent years under the leadership of the Central Military Commission. In conjunction with the military region's geographical position, its peripheral situation, and the peacetime status and role of the Army units, he stressed that the Army must always keep politically up to the mark and build the southwest border defenses into border defenses that cause the Central Military Commission no worries. The

units in the southwest should be built into units with particularly good combat strength.

Wang Ping, Liao Hansheng Present Defense Awards

OW0311064789 Beijing XIN. UA Domestic Service in Chinese 1310 GMT 19 Oct 89

["Local Broadcast News Service"]

[Text] Beijing, 19 Oct (XINHUA)—A final contest and a prize-awarding ceremony were held today in China's first national defense knowledge competition.

The national defense knowledge competition was sponsored by the journal JUNSHI ZHISHI [Military Knowledge] of the Academy of Military Sciences. It was aimed at implementing the guidelines laid down by the party Central Committee for strengthening national defense education, popularizing knowledge on national defense, and enhancing the people's awareness in national defense. Thousands of military men, workers, peasants, and students took part in the competition, which played a significant role in whipping up mass activities in broadening knowledge on national defense.

During the final contest, 3 contestants won first prizes; 7 contestants won second prizes; 40 contestants won third prizes; and 305 contestants won outstanding awards.

Wang Ping and Liao Hansheng presented the prizes and awards to the winners.

Commentator Urges Supporting Honest Cadres

HK2510032389 Beijing RENMIN RIBAO in Chinese 16 Oct 89 p 5

[Commentator's article: "Support Cadres Who Honestly Perform Their Official Duties"]

[Text] A warehouse deputy director named Cao Honglin of the Second Artillery Corps offended some people because he honestly performed his official duty. These people spread rumors about him and even vented their anger on his wife and children. Supported by the leadership of the Second Artillery Corps' logistics department and discipline inspection commission, he eventually eliminated the interference of unhealthy practices. He was commended and trusted by the higher authorities. Apart from proving that "evil cannot triumph over good" and increasing the people's confidence in combating corruption, this also indicates the complexity and difficulty of the struggle against corruption. It tells us that cracking down on corruption and supporting cadres who honestly perform their official duties are equally important.

Honestly performing official duties has been the consistent requirement of the party and an important criterion for a public servant. Originally there was no need to particularly stress the necessity of supporting cadres who honestly perform their official duties. However due to the laxity of party building and ideological and political

work in recent years, some unhealthy practices have spread in the course of reform and opening up, and some people have become accustomed to seeing others abusing their powers for personal gain; but cadres who uphold justice and honestly perform their official duties have been regarded as rigid and have frequently come under ironical, satirical, and retaliatory attack. Without the support of the higher authorities, Cao Honglin would have been ousted from the warehouse party committee!

Therefore we need to stress the importance of supporting cadres who honestly perform their official duties.

For leading comrades with a strong sense of party spirit, supporting cadres who honestly perform their official duties is a matter of course. But why have some people failed to correctly understand this problem?

There are two reasons: One is that they do not have an adequate understanding of the complexity and difficulty of the struggle against corruption or some people's habits of offering and accepting bribes and deceiving their subordinates and deluding their superiors; and the other is that they lack the style of carrying out profound investigation and study. Some comrades are not willing to investigate or to send people to investigate cases; they judge cases by relying on reports submitted by their subordinates. As a result they generally come to grief because of their prejudice in judging cases. Leading comrades of the relevant departments of the Second Artillery Corp could straighten out Cao Honglin's case because they had a correct view on the situation and made a thorough investigation of his case.

Not only leading cadres but civilians who hope for clean administration and a turn for the better in party style and the general mood of society have the responsibility for supporting cadres who honestly perform their official duties. In some localities malpractices are very rampant, good people are bullied, and corrupt officials have the upper hand. This is not because they are clever or have the power to shut out the heavens but because people like Cao Honglin are too few in these localities, as are people who support cadres like him.

As long as everyone strengthens the concept of clean administration and helps form a good social mood in which the feeling of "glory to clean administration and shame to corruption" prevails, it will be impossible for corruption to emerge, cadres who honestly perform their official duties can keep justice on their sides, the party will make greater achievements in its struggle for clean administration and against corruption, and the four modernizations drive will have a more adequate guarantee and proceed with bigger strides.

Importance of Political Work in Army Stressed

HK0311132789 Beijing JIEFANGJUN BAO
in Chinese 10 Oct 89 p 3

[Article by Zhou Chuantong (0719 0278 4827): "Attach Importance To Guiding the Feelings of the Masses"]

[Text] The people's sentiment is what the people feel about society. It is a reflection of their thoughts and feelings about, and expectations for, the society. The people's sentiment is powerful and can exert a tremendous impact on social and political life. A pronounced feature of the counterrevolutionary riot that happened in Beijing recently was that a very small handful of individuals who adhered to bourgeois liberalization manipulated the issues that most people were concerned about. The people were discontent with corrupt practices such as officials using their power to seek personal gains, and these handful of individuals spread all kinds of absurd rumors to confuse the people, upset them, and then take advantage of the situation. Today, when the party, guiding the people, has quelled the counterrevolutionary rebellion and gained a historical victory, we should arrive at the following conclusion after much contemplation. We must view the guiding of the people's sentiment as a major task in our political work and be consistent about it.

To attach importance to guiding the people's sentiment, we must first have an accurate knowledge of and a scientific attitude toward this kind of sentiment. Our nation is still at the initial stage of socialism. Our productive forces are not at a high level. More than 200 million of our people are illiterate. The people's educational level is uneven. All these shape the people's sentiment in two ways. On the one hand, certain aspects of the people's sentiment truly reflect the people's reasonable expectations and demands, many of which carry valuable political, economic, and cultural messages. These aspects of the people's sentiment are often indispensable information to be considered when we formulate directions and policies. They are also important criteria for the evaluation of directions and policies that have been implemented. On the other hand, due to the limitations in their objective environments, the people cannot avoid being biased and even extreme in their thinking and demands. Therefore, the people's sentiment is often uncertain and irrational. The irrationality can easily erupt when factors emerge which work against their interests. When this sentiment is manipulated by those who have ulterior motives, the lives and work of most people will be disrupted and the interests of the nation and eventually of the individuals will be hurt. This is the law of irrational sentiment of the people. We should stick to the principle of accepting what is correct and negating what is wrong. The most important criteria for us to distinguish right from wrong are as follows.

1. Politically, we must see whether it agrees with the basic party line at the initial stage of socialism, the adherence to the four cardinal principles which form the foundation of the nation, and reform and opening up which is the road to national strength. We must also ask whether it helps to nurture a noble morality in the vast majority and to strengthen socialist spiritual civilization.

2. Economically, we must see whether it contributes to the realization of uniting national interests with legal individual interests.

3. Culturally, we must see whether it helps to raise the people's scientific and cultural quality, to confirm the socialist way of living, and to continue and enhance the traditional virtues that characterize our people. In the new situation of the active development of socialist commodity economy, we must have an accurate knowledge of the people's sentiment, strengthen our acute perception of it, and adopt effective measures in order to be able to guide the people's sentiment whenever it is necessary to.

To guide the people's sentiment, the basic thing is to arm the masses with Marxist-Leninist theories. This is an effective political guidance. This kind of guidance must have the concrete goal of resolving "hot" issues, for "hot" issues in political life are often factors that frustrate and perplex the people. If we fail to provide guidance in time, the people's sentiment will proceed from "hot" to "burnt" and then to "explosion point." For many years comrade Zhao Ziyang has been passive about the adherence to the four cardinal principles and has gravely ignored spiritual civilization and ideological and political work, which has extended bourgeois liberalization. Influenced by these wrong ideas, many people are puzzled about cardinal issues of right and wrong, such as whether socialism or capitalism is good and why the modernization of China must be led by the CPC. They cannot understand the shortcomings and mistakes in the work of the party and the state. Nor do they sympathize with the party and the state. Rather, they are resentful. The party organs and all the political workers must solemnly face this reality. They must be firm but patient so as to do good political work on the masses, help them to clear the fog that blocks their view, answer their doubts, correctly channel their sentiment, and help them to understand the inevitability and necessity of adhering to the socialist road and the party's guidance. The people must realize the actual benefits brought to them by the reform and opening up, be considerate about the difficulties that the party and the state experience, and have faith in the party's ability to overcome its own mistakes so as to cool off the "heat" and reduce the "burnt." Practice has proved that as long as we are sincere in explaining to the masses and guide them properly, their sentiment will not intensify.

Public opinion has much influence on the people's sentiment. In the beginning of the recent political disturbance in Beijing, we failed for a time to effectively control the situation, largely due to the misleading public opinion. Such public opinion has shaken and disintegrated many people's faith in the adherence to the four cardinal principles and twisted their thinking. Besides, we have relaxed on our ideological education in the last few years. As a result, the younger generation, for whom we have high expectations, are faced with confusion and crisis in ideology and attitudes. These grave lessons are a warning to us. We must at all times and under all conditions attach great importance to public opinion and political and ideological education. Any oversight must absolutely not be allowed to happen.

In guiding the people's sentiment, the measures must be effective and the actual work must keep abreast of the situation. First, we must be bold and assured in reeducating the masses on the adherence to the four cardinal principles. This education must start from the people's actual thinking and be based on scientific, historical, and dialectical analysis. It must also be based on reason so that the masses are willing to listen. Second, it must aim at resolving the issues that the people are most concerned about and proceed with action so as to increase the people's confidence in the party, deepen the flesh-and-blood relationship between the party and the people, and nurture the people's love for the party and respect for the government. Besides, we must give different kinds of lectures and different levels of dialogue to answer the questions from the people and dispel their doubts and worries in time. In particular, we must responsibly explain to the people the whole story about sensitive issues and major political events so as to dispel all kinds of speculations. This will also help to expose the conspiracy of a very small handful of people so that all the political rumors will lose their market.

Our Army is an armed group that carries out revolutionary political tasks. It must all the more attach importance to guiding the sentiment of the officers and soldiers. In this way we can maintain a highly uniform Army with a firm and clear-cut standpoint on cardinal questions of right and wrong. Only then can we guarantee that the Army will go into action and try their best to complete the assignments once there is order from the party Central Committee and the Military Commission of the Central Committee of the CPC. For this we should further strengthen the political theory education in the Army. Currently we should fundamentally upgrade the political quality of both officers and soldiers by improving the education on the adherence to the four cardinal principles, the adherence to reform and opening up, and the curb on bourgeois liberalization. We should also intensify the routine political and ideological work and lead the Army to actively promote the "five types of revolutionary spirit" proposed by Chairman Deng. We hope to maintain a vigorous revolutionary morale, establish a guidance network for the Army, the society, and the family combined, and stabilize the work of the Army in all aspects, so as to create a good internal and external environment for the overall upgrading of the Army's strength.

Increasing Knowledge of National Defense Urged

HK0311095789 Beijing JIEFANGJUN BAO
in Chinese 19 Oct 89 p 2

[Article by Qin Jiwei (4440 1015 0251): "Study Knowledge of National Defense, Strengthen the Concept of Patriotism—Preface to the 'Series of Books on Knowledge of National Defense'"]

[Text] The Chinese people are people with the patriotic tradition and have regarded defense of their country as their duty all along. Since ancient times, there has been a saying: "All men share a common responsibility for the

events of their nation." In the years when big imperialist powers were carving up China and reducing China to the status of a colony or semicolony for over 100 years, many noble-minded patriots sacrificed their lives and, one stepping into the breach as another fell, carried out unrelenting struggle for the independence, freedom, power, and prosperity of their motherland. Especially in the war of resistance against Japan, the CPC led the Chinese people and united the democratic parties and patriotic personages to carry out indomitable struggle and greatly carried forward this patriotic tradition. The patriotic tradition is a great and valuable cultural heritage of the Chinese people and is also an important content for the building of socialist spiritual civilization. The national defense of our country is embodied not only in the ancient Great Wall and the system of the modern fortifications but also in the indestructible spiritual great wall built with the blood and flesh of the people of the whole country. With the integration of the material Great Wall and the spiritual great wall, the national defense of our country will be consolidated, we shall not be afraid of the aggression against us by any foreign enemy, and we shall be assured of a better security environment for economic construction.

In the current comparatively peaceful period, a world war is likely to be postponed. We must make use of this opportunity to vigorously develop the economy; but the source of the war has not been eliminated, and threats still exist. Under the premise of economic construction as the center, we must step up national defense building. We must defend our motherland with the patriotic tradition and, at the same time, build our motherland with the patriotic tradition. Building the country and defending the country is a dialectical unity. If we build our motherland into a rich and prosperous country, we shall have a material foundation for defending our motherland; if we have a strong national defense, we can guarantee the smooth development of the construction cause. While patriotism is the spirit of the state, we cannot go without it in defending or building our country and in wartime or peacetime. During peacetime, we must attach more importance to education in the glorious traditions and to ideological and political work and continuously enhance the patriotic concept of the whole people.

Studying knowledge of national defense is an important aspect of strengthening the patriotic concept. We should conduct systematic education in national defense among the people of the whole country and disseminate knowledge of national defense in all aspects, so that every citizen can know not only the reason for consolidating national defense and knowledge of national defense in all aspects but also, what is more important, what we should do to strengthen national defense by linking our realities.

Subsequent to the Handbook on the Citizens' National Defense Obligations, Kunlun Publishing House organized some experts and scholars to write the Series of Books on Knowledge of National Defense again. This is of great significance. It is believed that it will play an active part in strengthening the whole people's national

defense consciousness. These two books are a companion volume, and the publishing house asked me to write a preface to the Series of Books. I feel duty-bound and have written the foregoing words, so that the readers and I can encourage each other.

Four Soldiers Arrested for Rape in Guangzhou

*HK2410062689 Hong Kong MING PAO in Chinese
24 Oct 89 p 9*

["Special Dispatch From Guangzhou": "Four Soldiers of the Air Force in Guangzhou Guilty of Waylaying and Raping a Woman"]

[Text] According to a report from Guangzhou, four soldiers of the Air Force Command under the Guangzhou Military Region were arrested by Guangzhou municipal public security personnel and have been transferred to a military tribunal for trial.

Since the 4 June incident in Beijing, close relations between the Army and civilians have been adversely affected. The Army is making efforts to patch up relations between the Army and the people. Therefore, the military side is extremely annoyed by this case, which has severely undermined Army-people relations, and it is determined to seriously deal with unhealthy trends inside the Army. It has been learned that at present, the Guangzhou Military Region has circulated an inner-Army notice about this case. According to relevant sources, the four soldiers may all be sentenced to death.

It was revealed that the four soldiers came from Shandong. Early last month, they waylaid a car, beat a man on the car, and raped a woman near the Huanghuagang district before stalking off. The victims reported the case to the police. Since there were no clues on the scene, the police authorities adopted a method of spreading a dragnet everywhere to wait for the reappearance of the criminals.

Early this month, the four soldiers reappeared in the same place and waylaid a woman. However, this woman was actually a beautiful policewoman disguised as a civilian. Public security personnel, who were lying in ambush nearby, caught them red-handed.

Economic & Agricultural

Article Views Economic Development Over 40 Years

*HK0411100289 Beijing JINGJI RIBAO in Chinese
29 Sep 89 p 3*

[Article by Xue Muqiao (5641 2550 2890): "40 Years of Hard Pioneering Work"]

[Text] This article was originally a special contribution to the 1989 ZHONGGUO JINGJI NIANJIAN [China Economic Book of the Year]. The original text was in 30,000 characters. With the approval of the author, an abridgement of the article by this paper is carried here with subtitles provided by this paper's editor.

It has been 40 years since the PRC's founding. Under the CPC leadership, the Chinese people have turned an agricultural nation characterized by impoverishment and backwardness into an industrial and agricultural nation with a whole-ranging industrial system through hard work and bitter struggle. Politically, China has developed from a semicolony to an independent power with a decisive position in the world.

New China's accomplishments in national economic development in the 40 years since its founding have been stupendous. Comparing 1988 with 1949, gross industrial and agricultural output value grew thirty eightfold, of which, agriculture grew by 4.7 times, light industry grew by 85.6 times, heavy industry grew by 266.9 times. The national steel output was 59.18 million tons in 1988, coal output was 970 million tons, and the output of cotton fabrics was 17.6 billion meters. Its nuclear and space technologies have occupied a certain place in the world. China's output of grain, cotton, fabrics, coal, and cement now rank top in the world, and its output of steel and chemical fibers, and volume of electricity generated rank fourth in the world. However, because of its huge population, China remains a medium-level developing nation on a per capita basis.

Economic Construction Started on the Basis of the Devastation Left Over by Old China

The PRC proclaimed its founding on 1 October 1949. Prior to that, we experienced the 8 year war of resistance against Japan and the 4 year war of liberation. Those 12 years of war brought grave damages to the national economy. The difficulty of difficulties on the eve and early days of the liberation of Mainland China was the disastrous inflation resulted from the 12 years of war. Accompanied by the defeat and retreat of the Kuomintang (KMT), the paper currency and the gold standard banknotes issued collapsed one after another, with unprecedented price rocketing. On 1 December 1948, we began to issue the renminbi. Because of tremendous military spending, and imbalance between financial income and spending, the volume of paper money issued was great. The price rise rate was much lower than those of the KMT currency and the gold standard banknotes, but still prices continued to rise. During the 12 years of inflation, a great number of speculators surfaced. They absorbed idle funds in society with high interest rates to rush to purchase and to corner various categories of materials and equipment to jack up prices, and to contend with state-run commerce for leadership. To stabilize prices, the government rapidly founded state-run commerce and supply and marketing cooperatives to voluminously procure important industrial products and farm produce and to control market supply in a planned way to wage tit-for-tat struggles against the speculating capitalists aside from doing its best to control monetary issue. Balance between financial income and spending was basically achieved in early 1950, when the war of liberation ended with victory. The government decided to issue national bonds in terms of 300 million yuan to recall part of the currency issued. In March of the same

year, the government began to dump goods and materials in stock, thus putting the 12 years of inflation to an end. The suddenly stabilized prices became a world famous miracle at that time.

China's rural economy was on the verge of bankruptcy even prior to the war of resistance against Japan. In the wake of the 12 years of war, everywhere a scene of devastation met the eye. Because the victories of the Chinese revolutionary wars were scored with bases set up in the rural areas, by taking the road of encircling the cities from the rural areas, agrarian reform was conducted among the peasants in old liberated areas in the north. The agrarian reform in newly liberated areas was universally conducted beginning in 1950, relieving the heavy burden on the peasants of a standing of several thousand years. At the same time, supply and marketing cooperatives, agricultural banks, and credit cooperatives were universally set up, and heavy exploitation of feudal merchants and loan sharks was banned. Peasants in various places universally reflected that they could not find a market for various native and special products in the spring of 1950. Soon a solution to that was found by holding urban and rural goods and materials exchange fairs in various cities, and encouraging small merchants and peddlers with rewards to conduct the exchange of urban and rural commodities; consequently, rural sideline production in every description soon developed. Soon, the rural economy rapidly picked up.

In the urban areas then, the bureaucratic capitalists took all operating funds along with them in their escape, even part of the machinery and equipment was dismantled or damaged. The CPC called on the workers to wage struggles in protecting factories, and succeeded in maintaining the overwhelming majority of machinery and equipment. The government confiscated enterprises of bureaucratic capitalism, and transformed them into a socialist state-owned economy. Regarding enterprises of the national bourgeoisie, it was announced that their existence would be continued, allowing them a certain extent of development, and a policy would be adopted by which concurrent consideration would be given to public and private interests, and benefit to both labor and capital would be allowed. To find a solution to unemployment, enterprises of both public and private ownership were encouraged to develop production; on the other hand, the unemployed were helped to find jobs to develop small-type commerce and handicrafts. All those problems were basically solved in 2 or 3 years through hard work.

Beginning with the winter of 1950, China was forced to participate in the war to resist U.S. aggression and aid Korea, with great consumption of its manpower and money resources. Because of the swift development in production and strict practice of economy, we still managed to maintain a balance between income and spending with some surplus, thus stable prices were maintained. The Third Plenary Session of the CPC Seventh Central Committee was convened in June of 1950, at which a decision was made to recover industrial

and agricultural production within 3 years to fight for a fundamental turn for the better in the nation's financial and economic condition. The task was successfully fulfilled in 1952, with the output of an overwhelming majority of industrial products and agricultural produce exceeding the prewar (1936) highest level.

The first priority during the First 5-Year Plan was to found the initial base for industrialization. To achieve that, the USSR helped in building 144 (later, extended to 156) key construction projects; such projects numbered some 700 including those built with our own efforts.

Generally speaking, the First 5-Year Plan was fulfilled rather smoothly, with all important projects completed as scheduled. Industrial production indexes in the plan were completed 1 year ahead of schedule, and gross industrial and agricultural output increased with an average annual rate of 18 percent, with the plan overfulfilled. Then, under Premier Zhou Enlai's personal leadership, the formulation of a proposal for the Second 5-Year Plan began.

Aside from large-scope economic construction during the First 5-Year Plan, China basically completed the socialist transformation of agriculture, handicraft industry, and capitalist industry and commerce. In the early days of New China, the individual economy (including individual agriculture and individual industry and commerce) accounted for approximately 90 percent of the entire national economy, of which individual agriculture accounted for 84.5 percent. As a result of the universal founding supply and marketing cooperatives nationwide in 1950, the government kept under control the bulk of raw materials and farm produce, and privately-owned enterprises began to accept orders placed by the state for processing materials or supplying manufactured goods. Increasingly, a greater number of privately-owned enterprises began to accept state investments and turned into joint state-private enterprises. In early 1956, federations of industry and commerce of various places required all privately-owned enterprises to become joint state-private enterprises in all trades, and the state would take full responsibility for profits or losses of all rather large-type privately owned enterprises; in return, the original capitalists would obtain a fixed 5 percent annual interest from their original investments. Thus the socialist transformation of privately-owned industry and commerce was basically completed, with the exception of the small commerce and small handicraft industry, which continued the practice of assuming sole responsibility for profits or losses. At the same time, the cooperative campaign was also basically completed with the agriculture and handicraft industry. By the time that the First 5-Year Plan was fulfilled, the socialist economy of public ownership consisting of ownership by the whole people and ownership by the collective was dominating. The socialist transformation won a decisive victory.

Forging Ahead Amidst Difficulties Resulting From Subjectivism

The year 1958 was the initial year of China's Second 5-Year Plan. Because of the rather fast economic development in the previous eight consecutive years, the mentality of impatience and rash advance began to swell in the minds of many leading comrades, with high indexes, arbitrary and impracticable directions, proneness to boasting and exaggeration, and "stirring up a wind of communism" continued to escalate. While a "Great Leap Forward" was conducted in economic construction, a "Great Leap Forward" was also unfolded in the socialist transformation of agriculture. The "people's commune" was realized nationwide in October 1958. At that time, every people's commune consisted of hundreds and thousands of peasant households, with production and distribution conducted under the unified arrangements of the commune leadership. Moreover, all peasant households had to get their meals from the public canteen run by the production team, literally "eating from the same big pot." In distribution, supply on a maintenance basis was advocated. The press lauded the advantages of the people's commune being "large in size and collective in nature." Consequently, agricultural production dropped by a large margin. In 1960, the overwhelming majority of peasants had an insufficient ration of grain, and suffered from starvation. While in urban areas, grain rations were also cut back and there was a grave shortage in the supply of nonstaple food and cotton fabrics. Thus China entered the "period of 3-year difficulties." Because of the grave cutback in agricultural output in the previous year, light industrial output in 1960 also dropped, and gravely affected market supply. Heavy industry also dropped by a wide margin between 1961 and 1962.

Between January and February 1962, the Central Committee convened an enlarged work conference (namely the conference with 7,000 participants), at which Liu Shaoqi delivered a report on behalf of the Central Committee, who acknowledged that the downturn of agricultural production in 3 consecutive years was due to not only natural calamities but also shortcomings and mistakes in our work. It was also acknowledged that many leading comrades had not been modest and meticulous, and had displayed sentiments of arrogance and self-conceit, while they had failed to bring forward the fine tradition of seeking truth from facts. During that period, the system of three-level ownership by the commune, the production brigade, and the production team, with the production team as the basic accounting unit was universally adopted in people's communes, public canteens were done away with, and the peasant households restored their habit of preparing their own meals on separate stoves.

The readjustment that began in 1961 was conducted chiefly under Premier Zhou Enlai's leadership. During the 3-year Great Leap Forward, the urban populace of workers and staff members of ownership by the whole people drastically rose from 24.5 million to 50 million;

however, an agriculture in a downturn could hardly support such a huge urban population. Premier Zhou Enlai issued the mandate to mobilize 10 million workers and staff members who had just entered the urban areas to go back to the countryside to reinforce the agricultural production front. In the wake of the work conference with 7,000 participants, Liu Shaoqi required the Central Group of Finance and Economy headed by Chen Yun to present a plan for further readjusting the national economy. Chen Yun proposed that the 5 years between 1961 and 1965 be the period of recovery, on the grounds that recovery of agriculture to the 1957 level would take 5 years because of the grave cutback in agricultural output. That met the approval of Liu Shaoqi and Zhou Enlai. Because Chen Yun was recuperating from illness at that time, the readjustment of the plan was actually formulated and implemented with Premier Zhou Enlai chiefly in charge. It was proposed in the readjusted plan that 100,000 small-type blast furnaces be dismantled, while the provinces turn out sufficient coal to guarantee the normal production of large-type blast furnaces. At the same time, the half-built projects in actual suspension, and factories in "small indigenous groups" were to be "dismantled and shut down." On top of that, it was required that 10 million workers and staff members were to be sent back to the rural areas in 1962. The successful fulfillment of those tasks freed the urban and rural economies from difficulties, and enabled them to gradually return to normal operation.

Finances during the 3-year Great Leap Forward showed profits in the book, but actual deficits in the state treasury. The voluminous favorable balance came to naught in the wake of verification. In actuality, deficits in the state treasury were up to approximately 17 billion yuan. Consequently the amount of currency in circulation rose drastically from 5.28 billion yuan at the end of 1957 to 12.57 billion yuan at the end of 1961, up by 1.4 times in 4 years. What was more, marked inflation surfaced with a downturn in production, and it was very difficult to keep prices stable. To stabilize prices, the government implemented rationing of major consumer goods in 18 categories at fixed prices, then the surplus banknotes lashed at the open markets. Open market prices were more often than not seven or eightfold state planned prices. State rations were kept at minimum volume, the urban population was allowed a per capita 0.1 kg of pork on a monthly basis, an annual ration of 2 meters of cotton fabrics, whereas the rural population got only a per capita annual ration of 1 meter. Surely, such a low volume of rationing could hardly guarantee basic needs for subsistence. Aside from rationing, the state marketed candies and cakes at high prices, opened restaurants charging high prices, which were three or fourfold the planned prices. With the exception of Beijing, open markets were set up in all urban areas as a supplement to state-owned stores. The state implemented a "high-to-high" and "low-to-low" price policy toward the peasants, namely supplying the peasants with industrial products at original prices when their farm produce was procured at original prices, and supplying

them with industrial products at high prices when their farm produce was procured at high prices. Between 1961 and 1964, the state recalled 5 billion yuan of the currency issued by marketing industrial products at high prices. By the end of 1964, the amount of currency in circulation dropped to 8 billion yuan, and prices on the open markets began to fall since 1963, while high-priced commodities marketed in state-owned commerce also fell continuously until all commodities were available without restriction at original prices. Given the 1957 retail price index of commodities at 100 percent, in 1962 it was 126 percent, but it dropped to 111 percent in 1963. That was another great victory scored in stabilizing prices since March 1950.

The 3-year Great Leap Forward was a bitter lesson in New China's history. The original capital investment in capital construction in the Second 5-Year Plan was 100 billion yuan, but between 1958 and 1960, the investment came to 100.6 billion yuan (among which the year 1960 accounted for 38.9 billion yuan, with an accumulated rate of 39.6 percent.) The 1961 investment cut back to 12.7 billion yuan, and the 1962 investment was 7.13 billion yuan. The following years then saw a gradual rise in capital construction investments; it was 9.8 billion yuan in 1963, 14.41 billion yuan in 1964, and 17.79 billion yuan in 1965. During this period, gross industrial and agricultural output value increased rapidly despite the small scope in construction. The tasks for readjusting the national economy completed successfully in 1965, and the year 1966 saw rather great development.

At the First Session of the Third National People's Congress (NPC) convened in December 1964, under the condition of marked accomplishments in economic readjustment and the initial thriving of the national economy, Premier Zhou Enlai solemnly announced that it was "imperative to build China into a socialist power with modern agriculture, industry, defense, science, and technology to catch up with and to surpass world advanced levels in a rather short historical period." Regretfully, on 16 May 1966, the so-called "16 May Circular" was issued to proclaim the beginning of the "Great Cultural Revolution," which upset the normal course of socialist construction.

Instigated by such conspirators and careerists as Lin Biao, Jiang Qing, and Kang Sheng, Red Guards consisting of workers and students in Shanghai initiated the "January Storm" and seized power from the municipal party committee and government. In succession, the seizure of power took place in all provinces and cities nationwide as well as all ministries and commissions at central level. All state organs were paralyzed or in a semiparalyzed state. It was impossible to transmit to lower levels the 1967 annual plan formulated by the State Commission because it was impossible to convene a national work conference on planning. Because of turmoil on a national scale in 1968, the formulation of the annual plan was impossible. At that critical moment, Premier Zhou Enlai personally grasped some personnel of planning and organized a leading group for economic

work, to deal with the day-to-day economic control to avoid a total collapse of the national economy. The period of "overall civil war" between 1967 and 1968 saw a marked downturn in agricultural and industrial production, and heavy industry in particular. With the opposition of the Chinese people in 1969, the civil war between mass organizations was halted, with the economy recovered somewhat.

With the high-rate growth of industrial production in consecutive years in the wake of 1969, overheated economic growth resulted from Lin Biao's arbitrary and impractical directions, especially the rash advance in building war industry on various "third fronts" and an overextended capital construction scope. With the bankruptcy of Lin Biao's conspiracy of seizing power, Premier Zhou Enlai proposed to cut back construction scope and production indexes of heavy industry, but the mentality of impatience and rash advance characterized by seeking "more and faster" continued to dominate. Therefore the effects were not ideal. The accumulating rate of the national income in the years between 1970 and 1978 prior to the 3d Plenary Session of the 11th Central Committee was over 30 percent. Industrial production in those years was confused and stopped growing in 1974 because the "gang of four" initiated the campaign to "repudiate Lin Biao and Confucius," (which was spearheaded against Premier Zhou Enlai.) In 1975, Comrade Deng Xiaoping replaced Premier Zhou Enlai, who fell ill, and the principle of consolidation was proposed, while Comrade Deng Xiaoping issued the call that "it is imperative to make production come up," and industrial production picked up rapidly. Again in 1976, the "gang of four" started the campaign "to repudiate Deng Xiaoping and to oppose the ill wind of reversing the verdicts of rightist cases" and to mercilessly repudiate the theory that social development results only from productive forces." Consequently, industrial production was in a stalemate. Premier Zhou Enlai passed away in January 1976. On 28 July the same year, the Tangshan earthquake took place. In September, Chairman Mao passed away, the whole nation was in utter confusion. The "gang of four" took the advantage of the opportunity to seize power. On 26 October, the Central Committee smashed the "gang of four" in a single action, and salvaged the national economy from the brink of a total collapse.

Reinvigoration in Reform and Opening up

The 3d Plenary Session of the 11th CPC Central Committee convened in December 1978 opened a new historical period in China's economic construction. The greatest feat of that session was to adopt the ideological line of emancipating the minds and seeking truth from facts in the cause of socialist revolution and socialist construction, with the correction of the "leftist line" that dominated all domains over the previous 20 years.

Based on the said political and ideological line, the 3d Plenary Session of the 11th Central Committee formulated a new series of principles and policies on readjustment, reform, and opening up to the outside world. Later, the central work conference convened in April 1979 proposed the principle of "readjusting, restructuring, consolidating, and improving," with the key on "readjusting and restructuring (including opening up)." In view of the grave dislocation in the proportionate relations in the national economy resulting from the "Great Leap Forward" and the "10 years of turmoil," priority was given to readjusting to pave the way for restructuring.

Concerning the economic managerial structure, the 3d Plenary Session of the 11th Central Committee criticized the practice of excessive centralization, and decided to expand the decisionmaking power of localities and enterprises; the localities might retain part of their tax revenues, while the enterprises might retain part of their profits for enlarged reproduction. In past practice, the overwhelming majority of fixed asset investments were included in the national plan, investments and construction of localities and enterprises had to have central sanction. In the wake of the 3d Plenary Session of the 11th Central Committee, the portions of retained taxes and retained profits gradually expanded, and enterprises in localities might make investments in projects outside the national plan. Such practice greatly roused the enthusiasm of the localities and enterprises for enlarged reproduction. In 1982, the state's extrabudgetary investments in capital construction exceeded the budgetary investments in this area; later, the proportion of extrabudgetary investments continue to expand. The government also encouraged enterprises to conduct renovation and transformation of their equipment. Calculated in fixed assets (including capital construction, renovation, and transformation,) the proportion of extrabudgetary investments could be still greater. By 1980, the investments in renovation and transformation of units of ownership by the whole people accounted for one-fourth of the total investment volume, and the proportion continued to expand. The renovation of transformation of equipment involved small investment with quick effects, and was favorable to improving the technological level of existing enterprises, while accelerating the pace of modernization.

With the thinking of emancipating the minds and seeking truth from facts well planted, the economic managerial structure had to acquire a guiding idea favorable to the development of productive forces and improving the people's living standards, and bold explorations were encouraged, while some new ideas, new problems, and new approaches continued to surface.

In 1978, the contracted responsibility system with agricultural production was conducted on an experimental basis in the rural areas of Sichuan and Anhui. The peasants' enthusiasm for production markedly rose, which roused the attention of the central authorities. However, such a practice was controversial because it

was rather difficult to change the thinking of the people's commune "being large in size and having a higher degree of public ownership." The central authorities refrained from making a decision, and allowed such a system to be tested through practice. With eloquent facts, unanimity was gradually reached in the next 2 or 3 years. The implementation of the system of contracted responsibilities on the household basis with remuneration linked to output in the rural areas was a major reform in agriculture. Before 1984, the focus of economic structural reform was actually on agriculture. This reform broke the long-term agricultural stalemate, and played an important role in pushing forward the readjustment of the entire national economy and structural reform, and has been proved to be quite correct. Of course, the system of contracted responsibility with agricultural production still has much room for completion and perfection.

Prior to the 3d Plenary Session of the 11th Central Committee, urban commerce was monopolized by state-owned commercial departments, while the rural commerce was monopolized by supply and marketing cooperatives; factories and peasants were not allowed to market their own products. Such a system was criticized early in 1979, and the government gradually permitted factories to market products outside the procurement of state-owned commerce, and new products transcending the market demand of state planned production. Peasants were allowed to conduct long-distance transport and to market in urban areas such farm, native, and special produce that were beyond the procuring capability of supply and marketing cooperatives. Peddlers and cooperatives were allowed to conduct long-distance transport and marketing. With the state-owned, collective, and individual commerce coming up together, the urban and rural markets became increasingly brisk with each passing day.

Before 1979, all urban young people awaiting jobs must find jobs with the recommendation of labor departments, and they were not allowed to find jobs on their own. Consequently, no solution could be found to thousands upon thousands of the unemployed in the urban areas, and the populace of surplus labor in the rural areas could be still greater. Some people proposed that labor departments should not monopolize employment, while unemployed young people should be allowed to find for jobs on their own. Some cities including Beijing experimented on such practice, which the Central Committee officially advocated in 1980. The unemployment issue was then gradually relaxed.

While reform was under way, the policy of opening up to the outside world was pushed forward. Whole-ranging machinery and equipment for 22 large-type factories and mines were first imported in 1978. In 1980, four special economic zones were set up in Shenzhen, Zhuhai, Shantou, and Xiamen, and special policies were stipulated for Guangdong and Fujian. A few years later, decisions were made to open 14 regions and cities (now extended to 30) to the world, including the Zhu Jiang Delta, the Chang

Ziang Delta, Southern Fujian, the Jiaodong Peninsula, the Liaodong Peninsula as well as Shanghai. Today, "three kinds of partially or wholly-owned enterprises" number several tens of thousand, while many factories operate in processing of material provided by foreign clients with marked results. However, because of the lack of complete and perfect economic decrees and a developed market mechanism, the inseparation of government and enterprises, and control by multiple departments, many undue difficulties exist for import investments. The overcoming of these difficulties is possible only with China's gradual in-depth economic structural reform.

In view of the tremendous accomplishments scored in the 5 years since the 3d Plenary Session of the 11th Central Committee, the 3d Plenary Session of the 12th Central Committee was convened in October 1984, at which the "Decision on Economic Structural Reform" was adopted, which pointed out that the tasks for readjusting had basically completed, and the pace for restructuring should be stepped up with the implementation of the entire economic structural reform with cities as the key.

The tasks for readjusting the national economy were basically completed between 1983 and the first 6 months of 1984, supply of production materials was rather relaxed, with negotiated prices of some production materials (such as coal) going down and gradually approaching negotiated prices, ample supply of consumer goods, and the surfacing of a buyers' market. That was the most favorable time for lifting price control to make the price system gradually approaching rationality. Based on the resolution of the 3d Plenary Session of the 12th Central Committee, the State Council decided to boldly lift control over prices for nonstaple food in urban areas, with sound effects. Regretfully, because of the lack of experiences in macrocontrol as referred to in the said decision, the bank lost control over credit loans since the last quarter of 1984, and inflation began. Consequently, the price rise range exceeded the original plan, and a price restriction policy was thus implemented in the second half of the year. Price distortion of many commodities, whose prices had been ironed out since control over them was lifted, was revived. Should such phenomenon continue, it would be very unfavorable to establishing the order of socialist commodity economy.

With the sudden expansion of construction fund and consumption fund, the general social demand exceeded general supply, and the commodity supply-demand gap once again widened up seriously. Simultaneously, a super-high growth rate of industrial production surfaced in the first 6 months of 1985. Such a "super-high growth rate" was to a large extent grounded on importing parts and raw materials with accumulated foreign exchange.

There was some confusion in the minds of the theoretical circles; some people saw growing difficulties in ironing out prices, and advocated the reliance on the "contracted responsibility system to deepen reform," while

bypassing price reform. Then, when they saw that it would be impossible for enterprises to assume sole responsibility for profits and losses and to realize free competition, they proposed the acceleration of price reform by bypassing inflation. In 1987, the volume of banknotes issued increased by only 19.4 percent over the previous year (while it was above 20 percent in 1986 and 1985.) It was expected that prices could have been more stable; instead, prices went up even faster because the inflation rate went up even higher. Moreover, it was impossible to calculate the purchasing power accumulated in previous years when price control was implemented, and the accumulated inflation was not cut back but went the other way around. Consequently, prices soared. Since the State Council made known that price reform would be stepped up in August 1988, citizens started a run on the bank and rushed to purchase various commodities. Then, the market situation grew tense.

To promptly change the market confusion, the 3d Plenary Session of the 13th Central Committee was convened, and the new principle of "improving the economic environment, rectifying the economic order, and deepening reform in an all-around way" was set forth. It was decided that the focus of reform and construction in the next 2 years would be shifted on improving the economic environment and rectifying the economic order, which was in effect a new round of readjustment. This new principle was beyond a doubt correct and necessary, only it was 2 or 3 years too late, and the difficulties became far greater for readjustment.

In the period of readjustment, we must meet the demand of the economic structural reform, particularly the planning structural reform, to improve, complete, and perfect the financial and banking administrative structure, so that they might take up the new task of macrocontrol under an environment of commodity economy. Prior to the 3d Plenary Session of the 11th Central Committee, we implemented unified state control over income and spending with excessive centralization, and it was necessary to change it into a three-level control, namely, central, local, and enterprise. However, with excessive decentralization in recent years, the central government was void of ample financial resources to guarantee the investment demands in energy resources, communications, and transportation, while the localities and enterprises utilized their own funds to invest in repeated processing industry and projects of a nonproduction nature resulting in great waste. To readjust the industrial setup and to improve the economic results of investments, we had to resort to mandatory measures to halt a considerable large portion of irrational construction projects. It is imperative to formulate a unified national strategic planning for economic development to guide localities and enterprises to develop along the line indicated by the state through such economic levers as finance, taxation, and the bank's credit loans.

The economic structural reform of socialist countries is a great unprecedented undertaking, which we have explored over the past 10 years, with many experiences

and lessons accumulated. Today, it is imperative to amass forces in all domains to early formulate near-term and long-term plans for economic development, while we should formulate an integral and coordinating plan for economic structural reform. With our direction clear and definite, our hope will certainly be realized in time.

China's economic development was on a rugged road over the past 40 years, with the occurrence of two major setbacks, "the 3-year Great Leap Forward" and "the 10 years of turmoil." In the mid-1950s, China was rather advanced among developing countries. But with mistakes in a 20-year span, it has now lagged behind some new-rising developing countries. The gap between China and these new-rising developing countries has been narrowed with China rousing itself to catch up with them. Generally speaking, China's economic growth rate is rather fast, but the economic results can be very low because of an ossified economic managerial structure, with a still lower productivity. Consequently, we have failed to relatively improve people's living standards in rather fast economic development. Therefore, it is imperative for us to earnestly sum up the experiences and lessons over the past 40 years to fully tap the tremendous economic potential to enable China to rapidly develop into a modern, rich, and strong nation.

Statistics Released on Economic Performance

*OW0611075889 Beijing Television Service
in Mandarin 1100 GMT 31 Oct 89*

[From the "National News Hookup" program]

[Text] The eight major economic indexes released by the State Statistics Bureau, the State Planning Commission, the Finance Ministry, and the People's Bank of China for the first 3 quarters of this year show that the demand of society has begun to show signs of being under control, but the economic efficiency of industry has not improved.

Investment in fixed assets has been further reduced. In the first 3 quarters, investment by state units totaled 112.3 billion yuan and by local units amounted to 59.6 billion yuan, respectively dropping by 9.2 and 11.6 percent over the same period of last year.

Scale of loans has been further reduced. The rising trend in the total payroll for workers and staff members has slowed. However, no improvement has been made in the economic efficiency of industry, while labor productivity has stagnated at the slow growth rate level.

The rate of profits and taxes from sales has somewhat decreased. The aggregated rate of decrease totaled 17.6 percent in the first 3 quarters, or 2.3 percentage points less than the same period of last year. The rate of profits and taxes from industrial funds was 21.1 percent in the first 3 quarters, dropping by 3.3 percentage points over the same period of last year.

Helicopter Manufacturers Seek Foreign Investment

HK0611020589 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
6 Nov 89 p 14

[By Seth Faison in Beijing]

[Text] Chinese helicopter manufacturers are hoping to lure foreign investors into their tiny industry as they take their first steps forward.

Despite their extremely limited production experience, lack of advanced technology and acute shortage of funds, helicopter producers are optimistically drawing up plans to sell their aircraft on the international market.

BUSINESS WEEKLY has reported that the China Helicopter Industry Corp was looking for investors for a U.S.\$26.8 million project to produce a two-ton, five-seat helicopter.

Now in the designing stage, the project was aimed at producing the light helicopters, for both military and civilian use, by 1993, the newspaper said.

But given minimal domestic demand, manufacturers want to try to sell their helicopters overseas in the hope that low production costs would earn them a competitive spot in the international market.

China produced only 10 helicopters last year, and industry officials admitted that their quality was still low "in some areas".

Corporation general manager Chen Baoqi said that American, French, Italian and Soviet companies had already been approached about co-operation in his light helicopter project, but did not reveal whether any of them had expressed interest.

Two larger, 13-ton helicopters capable of carrying 37 passengers each will be also produced by year-end at the Jingdezhen Aircraft Manufacturing Plant in Jiangxi Province.

China's helicopter industry began under Soviet tutelage in the 1950s, but since 1959, when Soviet advisers left the mainland, China has produced a total of only 600 helicopters—most of them the cumbersome, seven-ton Z-5 model that has largely been retired from active service.

China's principal helicopter production since 1980 has been the Z-9 helicopter, a Chinese version of French aerospace company Aerospatiale's Dauphin model.

But only 10 helicopters were produced last year, and Mr Chen predicted this year would see about the same number.

He complained that China had the capacity to produce about 200 such aircraft annually, but that their high cost had been prohibitive to domestic buyers.

China's forestry industry, public security bureaus, medical rescue administration and fire-fighting teams have all expressed their need for helicopters but have been unable to afford them, Mr Chen said.

He expressed optimism about the industry's long-term prospects, but admitted that with domestic demand limited for the immediate future, he was placing his hopes on the international market.

CHINA NEWS SERVICE also reported that plans were being drawn up for the design of a two-ton helicopter and the "trial production" of an eight-ton model.

In addition, the NEW CHINA NEWS AGENCY also reported recently that a Sino-Italian attack plane would soon go into mass production.

The A-5M attack aircraft, jointly manufactured by the Nanchang Aircraft Manufacturing Corp of China and the Aeritalia Societa Aerospaziale Italian, was already under flight testing, the agency said.

Helicopter Production Plans in Progress

OW3010090489 Beijing Domestic Service in Mandarin
2230 GMT 20 Oct 89

[From the "News and Press Review" program]

[Text] According to a GONGSHANG SHIBAO [INDUSTRY AND COMMERCE TIMES] report: China will make great efforts to develop helicopter production. At present, it is designing a 2-metric ton-class helicopter, and it has also begun a plan for developing 8-metric ton-class or larger helicopters. By the year 2000, it will become a major helicopter-producing country with an annual output of 1,000 helicopters.

Qinhuangdao Coal Terminal Construction Continues

OW0611121489 Beijing XINHUA in English
1032 GMT 6 Nov 89

[Text] Qinhuangdao, Nov. 6 (XINHUA)—Construction of the third phase of the Qinhuangdao Coal Terminal, which involves three deepwater berths, passed ministerial appraisal and was put into operation today.

The new docks, which have a combined handling capacity of 30 million tons a year, help to make the port the largest terminal in the world for energy transport. Up to 75 million tons of coal pass through the port each year.

Construction of the deepwater berths began in 1984. They link with the Datong-Qinhuangdao electrified railway, a major outlet of northwest China's coal bases.

Huang Guosheng, director of the Qinhuangdao Port Authority, says the coal berths are equipped with sophisticated and versatile coal-handling facilities and "its handling techniques are the most advanced in the world."

Unleaded Gasoline Produced From Oil Wastes*OW0511035989 Beijing XINHUA in English
1434 GMT 4 Nov 89*

[Text] Zhengzhou, November 4 (XINHUA)—China has succeeded in producing a kind of non-lead gasoline by synthesizing oil wastes in a special device.

Made out of side-products and leftover wastes of the petrochemical industry and the coking industry, the gasoline is much cheaper than the oil substitutes which had been developed in other countries.

Tests showed that all the physical and chemical indices of the synthesized gasoline meet the state's standards.

Experts said the gasoline, which is economical to produce, has opened up a new way to relax the fuel shortage.

China Leads World in Reserves of 20 Minerals*OW0611042789 Beijing XINHUA Domestic Service
in Chinese 1637 GMT 1 Nov 89*

["China as World Number One"; "Local Broadcast News Service"]

[Text] Beijing, 1 Nov (XINHUA)—

China Tops the World in the Reserves of More Than 20 Kinds of Minerals

So far 168 kinds of minerals have been discovered throughout the country. Of these, reserves for 148 have been verified and China finds itself the world leader in reserves of more than 20 kinds of minerals, including tungsten, stibium, iron, vanadium, and titanium. Over 300 cities and towns have been established throughout the country as a result of the discovery and exploitation of major mineral mines.

China Leads the World in the Reserves and Export of Barite

The latest statistics show that China leads the world in both proven reserves and the export of barite. An important nonmetal mineral, barite is used widely in the petroleum, chemical, rubber, ceramic, glass, and radio industries. As the world's number two producer, China exports two-thirds of its barite output to 13 countries and regions.

China Ranks First in the World in Artificially Bred Aquatic Output

As revealed at the national conference at which scientific and technological knowledge was exchanged on the introduction and breeding of fine varieties of aquatic life, China produced a total of 10.61 tonnes of aquatic products in 1988. Of this, 5,321,900 tonnes, or more than 50 percent of its total aquatic output, were artificially bred marine and fresh-water products, making China the world's number one producer of artificially bred aquatic products.

Titanium Project in Guizhou Province Expanded*OW0511111089 Beijing in Mandarin to Taiwan
1500 GMT 1 Nov 89*

[Text] China is expanding a titanium industry base in Guizhou Province in the southwest region in order to maintain a lead in this high-tech material field in the world.

According to Pan Zhushun, chief engineer of the Zunyi Titanium Company which is the largest of its kind in China: After the completion of an expansion project by the end of the year, the company will double China's sponge titanium output and make China's titanium output the fourth largest in the world. The Zunyi Titanium Company will give a high priority to considering foreign investment. At present, several U.S. airlines and investment groups have expressed their willingness to participate in the cooperation project. The Soviet Union, the largest titanium producing country in the world, has also expressed its great interest in the project. The proven titanium deposits in China account for about one-fourth of the world's total, and most of China's titanium deposits are located in the southwest region.

Plan To Develop Western Regions Formulated*HK0611035289 Beijing CHINA DAILY (BUSINESS
WEEKLY SUPPLEMENT) in English 6 Nov 89 pp 1, 3*

[Text] Decision-makers with China's light industry are working on a strategic move to help develop the country's vast but backward western areas.

Zeng Xianlin, minister of light industry, announced that the ministry will attach greater importance to the development of the west in the future, endeavouring to build the region into a major raw materials base for the nation's light industrial production.

According to a report in the newspaper CONSUMER TIMES, a major publication under the light industry ministry, Zeng made the remark in a meeting after his extensive inspection tour of western Gansu and Qinghai provinces, and Ningxia Hui and Xinjiang Uygur autonomous regions between October 3 and 23. On that trip he visited 66 enterprises, covering 13 light industrial sectors.

The minister's visit did not result from a spur-of-the-moment decision.

It resulted from a long considered concern of the nation's leaders over the growing economic gulf between the east and the west. They have long planned to shift the economic focus by the turn of the century to the west and the north west, which has been somewhat ignored in the nation's first burst of economic reform.

During his 20-day tour, the minister was fully convinced that the West offers a lot of advantages for the development of light industry as well as the further development of all industry, the paper said.

The most noticeable advantage are the rich natural resources and the abundance of energy in the region.

Resources

This advantage now makes the region particularly attractive and important, as the development of China's light industry elsewhere in the country, despite its remarkable progress in the last ten years, has been seriously hindered by the shortage of energy and raw materials.

The minister, for example, was excited to find that in Qinghai and Xinjiang alone, there is a lake salt deposit of 12 billion tons. The salt, which is naturally crystallized, is ready for transportation without processing.

The sugar beet grown in the region enjoy a high sugar content of more than 17 percent, which is rare in the world.

The thriving livestock farming in the west, which is rich in fertile grassland, rank the region high in terms of leather and fur output. For the same reason, the area is a big producer of meat and dairy products.

The abundant wheat stalk, rice stalk and reed, on the other hand, offer vast resource for the nation's paper industry, which depends on such non-wood plants as its raw materials.

Moreover, the rich coal, petroleum and hydropower resources and various minerals are what is badly needed by the enterprises in the more developed east, where businesses are often forced to operate at half capacity because of these shortages.

"To speed up the development of the west and narrow the gap in economic development between the west and the east is not merely an economic issue. It is also a political issue," Zeng emphasized.

The western region is populated largely by China's ethnic minorities including the Uygur, Kazak, Muslim, Tibetan and Mongolian peoples.

The regional economy is underdeveloped due to natural and historical reasons.

For these reasons, Zeng said, a more developed west will contribute to a more stable society.

"So, it is our unshirkable obligation to help them to get rich through the development of light industry and we should try our best to do so," he said.

Zeng regarded the co-operation between the east and the west as a shortcut, if not the only way, to a fast development of light industry in the west.

Through the co-operation, the east can help the west with funds, information, advanced technology and equipment, well-established markets and human resources, while the west can supply the east with needed raw materials and energy, he said.

He also pointed out that the west should develop its light industry according to the local conditions.

He praised Xinjiang for promoting the production and export of tomato sauce with the locally-grown, high-quality tomatoes, instead of rushing to manufacture, say, profit-making household electrical appliances like refrigerators in which Xinjiang does not enjoy a comparative advantage.

He also suggested that Ningxia, which is traditionally populated by Chinese Muslims, should develop the production and export of traditional Muslim carpets, food and tourist souvenirs.

He called on Xinjiang and Inner Mongolia to make best use of their border cities to sell more of their light industrial products to Eastern European markets.

He disclosed the ministry is working out a series of specific measures for a quick implementation of the strategic plan for developing the west, and will hold a meeting next year for an extensive dialogue and co-operation between the enterprises from the east and the west, the paper quoted Zeng as saying.

Light Industry Plans Development of Northwest

OW 05 11091189 Beijing XINHUA in English
0757 GMT 5 Nov 89

[Text] Beijing, November 5 (XINHUA)—Decisionmakers for China's light industry are working on a strategic move to help develop the country's vast but backward northwestern areas.

Zeng Xianlin, minister of light industry, announced that the ministry will attach greater importance to the development of the areas in the future, endeavouring to build the region into a major raw materials base for the nation's light industrial production.

The minister's announcement did not result from a spur-of-the-moment decision, but result from the long considered concern of the nation's leaders over the growing economic gulf between the east and the west.

The minister made an extensive tour of western Gansu and Qinghai Provinces and the Ningxia Hui and Xinjiang Uygur Autonomous Regions between October 3 and 23, and on that trip, he visited 66 enterprises, covering 13 light industrial sectors.

Northwest China, which is populated largely by China's ethnic minorities including the Uygur, Kazak, Muslim, Tibetan and Mongolian people, has been somewhat ignored in the nation's first burst of economic reform.

This area offers a lot of advantages for the development of light industry as well as the further development of the all industry of the nation; most noticeable are the rich natural resources and the abundance of energy in the region.

Such as the salt, sugar, thriving livestock, abundant wheat stalk, rice stalk and reed, coal, petroleum, hydropower resources and various minerals are what is badly needed by the enterprises in the developed east. [sentence as received]

Zeng regarded the cooperation between the west and the east as a shortcut, if not the only way, to a fast development of light industry in the west.

Through the cooperation, the east can help the west with funds, information, advanced technology and equipment, well established markets and human resources, while the west can supply the east with needed raw materials and energy.

Zeng also pointed out the west should develop its light industry according to the local conditions, and encouraged Xinjiang and Inner Mongolia to make best use of their border cities to sell more of their light industrial products to Eastern European markets.

He disclosed that the ministry is working out a series of specific measures for a quick implementation of the strategic plan for developing the west, and will hold a meeting next year for an extensive dialogue and cooperation between the enterprises from the east and the west.

State Bestows Printing Association Awards

*OW0311142889 Beijing XINHUA in English
1326 GMT 3 Nov 89*

[Text] Beijing, November 3 (XINHUA)—China today conferred awards on 19 Chinese who have made important contributions to the country's development of printing technology and equipment.

At two separate meetings held by the China Printing Technology Association, five people received the Bi Sheng award and 14 others received the Nobuo Mousawa award.

The Bi Sheng award is the highest honor of its kind in China and the Nobuo Mousawa award is sponsored by Japan. Both are conferred biennially.

Attending today's meetings were Zhang Jingfu, Standing Committee member of the Central Advisory Commission of the Chinese Communist Party, and Nobuo Mousawa, president of the Japan Nobuo Mousawa Printing Association.

Bank of China Provides Funds for Grain Purchases

*HK0611023489 Beijing CHINA DAILY in English
6 Nov 89 p 1*

[By staff reporter Ma Zhiping]

[Text] China has achieved most of its purchasing target of autumn grain faster than last year thanks to a major bank loan to fund the nationwide purchasing drive, CHINA DAILY has learned.

The 20 billion yuan short-term loan provided by the People's Bank of China was instrumental in avoiding issuing IOUs to the grain-producers as was widely practised during the cash shortage last year.

Following the smooth fulfillment of the state's summer grain purchase quota, local grain purchasing stations are performing well in autumn grain purchasing, according to a grain management official from the Ministry of Commerce.

"Sixty-five percent of the state's autumn grain purchase plan was carried out by October 25, which is faster than last year, with 3.5 billion more kilograms purchased than last autumn," said the official.

He attributed this progress to a better guarantee of purchasing funds.

The People's Bank of China recently allocated a special short term loan of 20 billion yuan (\$5.4 billion) to avoid issuing IOU notes to farmers selling autumn crops to the government.

Consequently, the autumn purchasing has been smoother than last year. For instance, Xiaogan City in Hubei Province which became infamous for the thousands of IOUs given to farmers last autumn, has not issued a single IOU note this year. Every farmer got cash on spot for grain sold, according to a FARMERS' DAILY report.

"However, because of increased yields and increased prices of main agricultural products over last year, shortages of purchasing funds still exists in a number of places around the country," the official said, adding that funds for purchasing grain at a negotiated price are particularly short of. [as published]

Although Hubei, Hunan and Jiangxi, which are among the country's major grain-producing bases, had a bumper rice harvest this year, they have been troubled by serious lack of purchasing funds and lack of storage space for grain.

In Hubei alone, which has harvested over one billion kilograms of rice more than last year, more than 1 billion yuan is needed for grain purchase. the shortage was first attributed to the fact that the government has allocated purchase funds on the basis of last year's amount despite the rises of purchasing prices made by the state early this year.

Another reason is that some traditional buyers of Hubei's grain have not placed their orders this year, the official said. And the overdue payment of some previous purchases also contributed to the shortage of funds.

As a result, some purchasing stations have stopped operation while some others have resorted to IOUs again.

All this has hindered many farmers, and profiteers have stepped in to rake in illicit gains, according to local newspapers.

China's total grain output for this year is expected to reach 400 million tons, a 2 percent rise over last year, according to the State Statistical Bureau.

China reaped a record harvest of more than 400 million tons in 1984, but production since then has either fallen or remained stagnant. And the population has grown by an estimated 75 million during the interim four years.

Government Nonpurchase of Grain Angers Peasants

HK0611120089 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0439 GMT 3 Nov 89

[“The Government Has No Funds To Buy Grain While the Peasants Have Difficulty Selling It”—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 3 Nov (ZHONGGUO TONGXUN SHE)—Although China's total grain output this year will probably fluctuate around 400 million tons again, the government does not have enough funds to purchase it. Peasants are greatly dissatisfied as they cannot sell their grain.

Jianli County, whose grain output has ranked first in Hubei for 7 consecutive years, has topped 1 billion kg in total grain output this year. A bumper harvest has not brought joy to the peasants but has added to their sorrow because they find it difficult to sell their grain. The grain department was forced to stop grain purchase because it did not obtain cash for the grain it transferred to other localities and because it was only allowed to pay cash instead of handing out “IOU's” to peasants. Up to 19 October, only 80 percent of the county's grain purchase task had been fulfilled and only 25 percent of the purchase task at negotiated prices outside of the contracts had been fulfilled, much lower than the same period of last year. The county's annual total purchase quota is 400 million kg. Of this, the purchase of medium-season rice is 160 million kg, which entails 100 million yuan. However, only 20 million yuan is available. Now that late rice will soon be available on the market, the shortage of funds is all the more serious. After finishing the fixed sales task and retaining enough grain for himself, Fang Donghai, a peasant from Loukou Village in the county's Bianhe Town, still has 4,000 kg of grain that he cannot sell. He can only sigh at the sight of the heaping piles of grain.

Hunan's Nanxian is one of the 100 leading grain-selling counties in the country. Two months ago, a multitude of cadres and fleets of propaganda trucks went all over the townships and villages asking the peasants to sell their grain to the government. When the peasants carried their grain on their shoulders or in trucks to grain stations, the doors of these stations were closed one after another. Purchase was stopped as a result of a funds shortage. This year, that county's contracted grain purchase amount is 82.5 million kg, which entails an amount of 37.94 million yuan. In addition to the contracted amount, the peasants have a grain surplus of 50 million kg, which entails an amount of 37.50 million yuan. By 15 August, when the county had spent all its available funds totaling 28.59

million yuan, it had no more money to purchase grain. Under these circumstances, the grain departments used the funds for other purposes to purchase grain. Some even used the wages and allowances of workers and staff to purchase it. The county could barely raise a few million yuan.

At present, of the 10,000 peasant households, more than 7,000 have surplus grain to sell. Some infuriated peasants gave the township government a “notice”: “No matter what you will do to us next year, we will not grow more grain.” Some big grain households have, one after another, requested to return their contracted fields.

China To Set Up More Animal Products Bases

OW0611075189 Beijing XINHUA in English
0642 GMT 6 Nov 89

[Text] Beijing, November 6 (XINHUA)—China plans to set up a large number of meat, egg and milk production bases over the next three years to boost supplies for urban residents.

The Ministry of Agriculture says the project includes 104 lean-meat pig farms, 10 dairies, milk-sheep farms and beef and mutton bases.

The whole project is due to be completed in 1992. It will add 133,000 tons of beef and 120,000 tons of mutton to present supplies. The extra amount is enough to meet the needs of more than 70 big and medium-sized Chinese cities.

China also plans to boost egg production by establishing poultry farms with 800,000 to 1,000,000 hens.

The new bases will help improve living standards. At present the annual consumption of meat, eggs, milk and fish in China averages 31.3 kilograms per person, which is lower than the level in advanced countries.

New Manuring Technique To Increase Grain Output

OW0311134489 Beijing Domestic Service in Mandarin
0300 GMT 23 Oct 89

[From “News” program]

[Text] According to JINGJI CANKAO BAO, initial success has been achieved in the research of all-around techniques for output increase in medium- and low-yield farmland in south China today. Numerous projects are under construction, and many technical measures are being adopted in large areas.

A new manuring technique, which is a project of the Chinese Academy of Sciences for Agricultural Development and one of the techniques for output increase in medium- and low-yield farmland in south China, was popularized in this year's early rice demonstration area and radiation area totalling nearly 500,000 mu. Per-mu grain yield reached an average of 42.8 kg and nearly 30 kg, respectively. Five hundred grams of zinc fertilizer was applied to each mu, costing 2.4 yuan, while economic results achieved are 21.4 yuan and 15 yuan, respectively.

East Region

Fujian Standing Committee Discusses Jiang Speech

OW3110053489 Fuzhou FUJIAN RIBAO in Chinese
15 Oct 89 p 1

[Text] Recently, Comrade Chen Guangyi presided over an enlarged session of the Standing Committee of the provincial party committee. The session made arrangements for the work in the province and called for efforts to study Comrade Jiang Zemin's National Day speech and do a good job in developing the economy in the province.

The Standing Committee of the provincial party committee pointed out: We must continue to fulfill the various tasks assigned by the provincial CPC Committee before national day and achieve some actual results. The tasks are:

1. We must do a good job in cleaning up and investigation according to the requirements laid down by the telephone conference of the provincial party committee.
2. We must continue to fight corruption. We should do an even better job in implementing the guideline laid down in the circular issued by the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Supervision; encourage more criminals to surrender to the authorities; handle all cases according to law; and conduct our work in this connection persistently.
3. We must put things in order. We must carry out this task in close connection with our efforts to screen cadres and tackle the various issues.
4. We must clean up publications that promote obscenities and pornography and strive to fulfill the six tasks assigned us by the provincial government in this regard. Propaganda departments and other relevant departments must vigorously play their role.
5. We must step up our efforts in party building. We must strengthen party building in accordance with the provincial symposium on party building and the provincial meeting of organization department directors. We must study issues such as how to improve the leadership work style and establish a system in this connection. Cadres should be encouraged to participate in manual labor, keep in touch with reality, conduct investigation and research, and solve problems.

The Standing Committee of the provincial party committee pointed out:

1. We must study hard. The party committees at all levels and all party-member cadres must study and deepen their understanding of Comrade Jiang Zemin's National Day speech while studying the documents of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speeches. In studying and publicizing Comrade Jiang

Zemin's speech, the various units in all localities must ensure that the leading cadres at and above the county level study hard. The leadership at all levels must take the initiative in studying Comrade Jiang Zemin's national day speech. The leadership of the provincial party committee and the provincial government plan to inspect basic-level units in the near future. They will sponsor symposia or discussion meetings to publicize among basic-level cadres and people the guidelines laid down in Comrade Jiang Zemin's speech. Various localities should also follow the example set by Fuzhou City in organizing lecture groups to disseminate the guidelines laid down in the speech. We must give lectures while conducting investigation and study, solving actual problems, improving the leadership style, and implementing the guidelines laid down by the 4th Plenary Session of the 13th CPC Central Committee. The propaganda departments and journalistic units at all levels must closely coordinate with each other. While studying hard themselves, they must carry some articles to introduce some typical examples of studying Comrade Jiang Zemin's speech and give widespread publicity to such examples.

2. We must pay full attention to economic work. The economic situation in Fujian is now generally good. However, there really exist some difficulties and problems. The party committees and governments at all levels must continue to improve the economic environment and rectify the economic order. First of all, we must strengthen our investigation and study and adopt effective measures to prevent our economy from weakening. We must pay attention to production in the last quarter of this year, strive to fulfill all production plans for this year, and continue to open to the outside world. The provincial party committee has already dispatched some cadres to basic-level units to carry out investigation and study. The leading cadres who are working in various basic-level units must popularize the guidelines laid down in Comrade Jiang Zemin's speech and stress the need to stabilize policies and the economy and enjoy popular support. At the same time, they must set up their offices locally; help the basic-level units overcome economic difficulties and solve economic problems; and further improve the economic environment, rectify the economic order, and implement the reform and opening policy. Like other localities throughout the country, Fujian has scored initial success in improving the economic environment and rectifying the economic order. Meanwhile, there have also emerged some new problems. The leadership at all levels must strengthen their confidence, work harder than ever before, make use of the slow speed in production and sluggish market at present to upgrade production quality, and continue to improve the economic environment and rectify the economic order. The provincial authorities have sent a group of cadres to basic-level units and enterprises to conduct investigation and study and will make proposals on how to solve problems in developing the economy in Fujian. The provincial party and government have already decided to convene a province-wide meeting on

the work in various enterprises. All relevant departments must carry out their preparatory work well so as to make this important meeting a success.

3. We must consolidate and develop the favorable situation characterized by stability and unity. The situation in the province is now quite stable, and it is becoming even more stable with each passing day. However, we must also realize that there remain some unstable factors. The party committees and governments at all levels should regard their efforts to stabilize the situation as their most important task, try to eliminate the factors of instability, continue to do a good job in maintaining social order, ensure social stability, and further consolidate and develop the hard-earned political situation of stability and unity.

At the session, Chen Guangyi, secretary of the provincial party committee, pointed out: We must carry out on a solid basis all the assignments made by the provincial party committee. In particular, attention must now be paid to studying Comrade Jiang Zemin's speech; doing economic work; and leading a sustained, stable, and coordinated development of the economy in the province.

Jiangsu Governor on Preventing 'Economic Downturn'

OW3110144389 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 13 Oct 89

[Text] The editorial department of JINGJI CANKAO BAO [ECONOMIC INFORMATION DAILY] and the Jiangsu branch of XINHUA NEWS AGENCY held a seminar in Nanjing today with the participation of leaders from some provincial organizations. The seminar analyzed the economic situation and sought opinions on the coverage of economic news.

Chen Huanyou, governor and deputy secretary of the provincial party committee, and Sun Jiazheng, deputy secretary of the provincial party committee, spoke at the seminar.

Comrade Chen Huanyou said: Although Jiangsu authorities took active measures to stabilize the province's situation, the local economy was affected adversely during the outbreak of the turmoil and counterrevolutionary rebellion in Beijing. This year is supposed to be a year of bumper harvests in agriculture, but the situation has not turned out to be so. Industrial production is not gratifying either. Jiangsu posted negative growth in industrial production in September. About one-third of the province's township enterprises halted production. We are confronted with new contradictions and problems in our economic work. We should, and must, analyze, handle, and solve these contradictions and problems effectively.

Chen Huanyou continued: Economic work is still the core of the party's endeavors. We should steadfastly implement the guidelines of the 4th Plenary Session of the 11th CPC Central Committee and thoroughly study Comrade Jiang Zemin's National Day speech. We

should unify our thinking and steer our actions with the guidelines of the speech and perform our work realistically in order to prevent an economic downturn and ensure sustained, stable, and coordinated growth in our economy.

Jiangsu Military Region Commander Awards Cadres

OW3110143689 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 11 Oct 89

[Text] The Nanjing Military Region held a grand ceremony in Nanjing today to commend 20 outstanding cadres of its people's armed units. General Xiang Shouzhi, commander of the Military Region; Lieutenant General Guo Tao, deputy commander; Lieutenant General Shi Yuxiao, deputy political commissar; Lieutenant General (Zhang Lin), secretary of the Military Region's party committee; and Lieutenant General Yu Yongbo, director of the Military Region's Political Department, awarded beautifully designed certificates and prizes to 10 outstanding cadres of the region's people's armed unit and 10 top cadres of the special armed corps. Four of the 20 outstanding cadres were from Jiangsu Province. They were (Ma Qingrong), political commissar of the (Baixia) District People's Armed Corps in Nanjing City; (Lin Yulong), leader of the Wuxi County People's Armed Corps; (Qiao Baozhang), leader of the (Caowang) Forestry Farm Armed Corps in Jiangdu County; and (Chen Bingyuan), leader of the (Baqiao) Town Armed Corps in Yangzhong County.

Lieutenant General Guo Tao, chairman of the committee in charge of selecting the 20 outstanding cadres and deputy commander of the Nanjing Military Region, spoke at the ceremony. He cordially greeted the awardees and saluted them on their remarkable achievements in building up national defense capabilities. He said: Advanced individuals should earn the support, love, and respect of the people. Prompt action should be taken to criticize and correct such aberrations as neglecting ideological and political work and deriding and retaliating against advanced models.

Guo urged all comrades of the people's armed corps in the Military Region to emulate the 20 top cadres and strive to become models or advanced individuals in national defense construction.

Occupancy at Jiangsu Capital Hotel Improves

OW3110141789 Beijing XINHUA in English
1303 GMT 31 Oct 89

[Text] Nanjing, October 31 (XINHUA)—The average occupancy of the Jinling Hotel in Nanjing has reached over 70 percent this month, although it once dropped below 30 percent following the turmoil in Beijing in June.

According to hotel sources, compatriots from Taiwan made up 60 percent of the tourist groups staying at the hotel during August, September and October.

The Jinling Hotel has adjusted the room charges, catering and the management of guest rooms in line with the needs of Taiwan compatriots.

Shandong Recalls NPC Deputy for Economic Abuses

*OW0411054389 Beijing Television Service
in Mandarin 1100 GMT 3 Nov 89*

[Text] The Standing Committee of the Shandong People's Congress decided on 1 November to disqualify Kong Fanlu's qualification for deputy to the 7th National People's Congress. [Video of a computer screen showing voting results: 49 votes in favor of Kong Fanlu's recall, no votes against his recall, and 3 abstentions]

Kong Fanlu was a former party committee member in Sishui County and the party branch secretary of (Zhong Ze Shan) Village. He abused his power by throwing a lavish wedding reception for his 18-year-old son and by also accepting many gifts and a huge amount of cash. After being criticized by the press, he had someone tamper with the household register, issue him a false certificate, and illegally process his son's marriage registration. He was a very bad influence on the masses. [Video show television reporter interviewing an old lady] Many people reported to the Standing Committee of the Shandong Provincial People's Congress. They said Kong Fanlu had lost their confidence and that he was no longer fit to be their representative. Recently, a relevant department revoked his title of the province's outstanding Communist Party member. [Video shows participants at a meeting applauding Kong Fanlu's removal]

Shandong Secretary Addresses Award Event for Aged

*SK3110004589 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 28 Oct 89*

[Text] On the morning of 28 October, the provincial authorities sponsored a ceremony at the club's auditorium of the Nanjiao Guesthouse of Jinan City to present national prizes to the outstanding veteran personnel who had made marked contributions to the country in their later years and to personnel who are outstanding in respecting the aged and looking after their parents. It was also a meeting with model veteran personnel from various prefectures and cities participating.

Attending the ceremony and meeting were leading comrades from the provincial level organs, including Jiang Chunyun, Ma Zhongchen, Zhao Zhihao, Liang Buting, Lu Maozeng, Zhang Quanjin, Miao Fenglin, Li Chunting, Ma Zhongcai, Liu Peng, and Lin Ping.

Su Yiran, member of the Central Advisory Commission and honorary chairman of the provincial committee on aging, also attended the ceremony and meeting.

Zhang Jingtao, vice chairman of the provincial committee on aging, presided over the meeting. Wang Jinsan, chairman of the provincial committee on aging, delivered a report at the meeting on relaying the spirit of the national commendation meeting in honor of the

outstanding veteran personnel who had made marked contributions to the country in their later years and the personnel who are outstanding in respecting the aged and looking after their parents and the second national conference on the work concerning old folks.

During the meeting, Jiang Chunyun, secretary of the provincial party committee, delivered a speech in which, on behalf of the provincial party committee and the provincial people's government, he first extended warm congratulations on the occasion and to the comrades in charge of award affairs, as well as cordial regards to the comrades in charge of work on aging.

In his speech, Jiang Chunyun stated: Shandong is one of the provinces with a large population, noted for its high standards of tradition of etiquette passed on from the ancient dynasties, and noted as an old revolutionary base. The province has a long-standing tradition of respecting and cherishing the aged and a glorious revolutionary tradition. Therefore, inheriting or carrying forward these fine traditions and doing a good job in conducting the work on aging represents our unshirkable duties. At present, our province has more than 7.7 million older people at or above the age of 60, more than 200,000 veteran cadres who joined in the revolutionary work before the founding of the PRC, and more than 1 million veteran staff members and workers who have retired from their posts. These elderly people, particularly veteran comrades, have made tremendous contributions to toppling the three mountains [imperialism, feudalism, and bureaucratism-capitalism], waging the struggle to establish New China, and carrying out socialist revolution and construction. They are the precious property of the party and the country and important forces in maintaining stability and unity and developing our undertakings.

In his speech, Jiang Chunyun pointed out: Tasks for the work on aging are many, such as showing concern for veteran comrades in the fields of politics and livelihood, doing a good job in rendering services, and bringing their role into play. Judging from the province's work on aging, we should put our work emphasis on grass-roots level units. We should first do a good job in conducting the work of old folks' associations in rural areas; second among urban neighborhoods; and third in official organs, enterprises, establishments, and schools. Efforts should be made to follow the principle of self-organization, self-management, self-education, and self-service. Departments concerned should cooperate closely with each other in this regard and vigorously support the work on aging.

In his speech, Jiang Chunyun stressed that to be successful in the work on aging, it is imperative to implement earnestly the several regulations adopted at the meeting of the provincial People's Congress Standing Committee on protecting the legal rights of old folks and gradually orient the undertakings assumed by old folks on the track of legal systems. Efforts should be made to

continue to implement the province's plan for developing the undertakings assumed by old folks, to do practical and good deeds actively for them, and to foster fine morale in which the society as a whole respects the aged.

Shanghai Rules Investigated Not Allowed To Leave

OW0111132989 Shanghai City Service in Mandarin
2300 GMT 25 Oct 89

[From the "Morning News" program's Shanghai press review for 26 October]

[Excerpt] According to a ZUZH RENSHI BAO [ORGANIZATION AND PERSONNEL NEWS] report, the Shanghai authorities have set new requirements for those who are going on official trips abroad. The authorities emphasize that anyone who is under investigation will not be allowed to leave the country. [passage omitted on other news]

Zhejiang Leader Views Arrest of City Party Chief

OW0511155589 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 26 Oct 89

[Text] (Zhuang Hongde), secretary of the Jiaying City CPC Committee, was arrested yesterday according to law by the Zhejiang Provincial People's Procuratorate on the charge of accepting bribes. (Zhuang) took advantage of his power to accept bribes amounting to 5,000 yuan. After the Supreme People's Court and the Supreme People's Procuratorate published a circular calling on criminals to surrender to the authorities, (Zhuang) refused to do so, continuing to conceal his crime. His arrest was announced by Hu Canshi, chief procurator of the provincial People's Procuratorate, at a meeting of principal responsible persons of provincial departments, committees, offices, and bureaus this morning.

Present at this morning's meeting were Li Zemin, secretary of the Zhejiang Provincial CPC Committee; Chen Fawen, member of the Standing Committee of the provincial CPC Committee and secretary of the provincial Discipline Inspection Committee; and Xia Zhonglie, member of the Standing Committee of the provincial CPC Committee and secretary of the provincial Political and Law Committee [zheng fa wei yuan hui].

Chief Procurator Hu Canshi said at the meeting: In May this year, (Zhuang Hongde) received through his secretary 5,000 yuan in stock certificates from the (Tianxiang) Gourmet Powder Plant, a village enterprise under the auspices of the (Zhulin) (Diansheng) Machinery Plant in the suburban area of Jiaying City. In September this year, the director of the (Diansheng) Machinery Plant turned himself in and reported (Zhuang Hongde's) crime to the procuratorial organ. The procuratorial organ immediately investigated the case and found conclusive evidence of (Zhuang Hongde's) acceptance of bribes.

In the course of the investigation, however, (Zhuang Hongde) ignored the appeal of the circular, continued to

conceal his crime, and refused to surrender and confess his crime to the authorities, even after the leaders of the provincial party committee and the provincial government had repeatedly talked to him and the procuratorial organ repeatedly explained to him the appeal of the circular and asked him to confess. Therefore, the provincial People's Procuratorate arrested him according to law last night. Li Zemin, secretary of the provincial CPC Committee, made an important speech at the meeting.

He said: Generally speaking, our cadres are comparatively good and they serve the people wholeheartedly. However, there are indeed some cadres, including leading cadres, who are seriously corrupt and cannot stand up to the test of reform and opening to the outside world and of holding office. (Zhuang Hongde) was a leading cadre for many years and did some useful work for the party and the people. Nevertheless, he could not resist the temptation of money and chose a criminal road in a situation of reform and opening to the outside world. After his crime was exposed and he was seriously admonished, he still refused to confess his crime. This lesson is very profound; it tells us that party members and cadres, particularly leading cadres, must not slacken their ideological vigilance, even for a moment. They must conscientiously resist corruption by decadent bourgeois thinking, seriously uphold ethical integrity among themselves and in party and government organs, voluntarily accept the supervision by the party and the people, strictly abide by party discipline and the law, and serve the people wholeheartedly.

Li Zemin said: All criminals, be they embezzlers, bribe takers, or speculative profiteers, will be dealt with leniently if they surrender to the authorities and sincerely repent. If they refuse to do so and continue to conceal their crimes, they will be punished harshly according to law, no matter how high their positions or how great their past contributions.

He pointed out: There are only several days left until the deadline set by the circular of the Supreme People's Court and the Supreme People's Procuratorate. However, a small number of organizations have not done enough to publicize the circular, and are merely going through the motions. Some people who have committed economic crimes are still leaving things to chance, in an attempt to escape investigation and punishment.

Li Zemin said: All provincial departments should use the (Zhuang Hongde) case as a negative example to educate their personnel about reality. Leading cadres should pay attention to investigation of cadres' properties and take effective measures to organize such investigations. The departments concerned should coordinate and cooperate with each other, promptly turn over criminal cases to the judicial authorities, and continue to help in investigations. It is necessary to carry out an effective propaganda campaign in the effort to educate criminals about the current situation and to shatter illusions. All departments concerned should know when to give lenient

treatment and when to impose harsh punishment, further show the determination of the party and the government to punish corruption, and demonstrate the strength of the party's policies and the law of the state. Party committees and governments at all levels should seriously strengthen their leadership over the task of punishing corruption and promoting ethical integrity, considering such work as a long-term task to be carried out seriously and successfully.

Chen Fawen, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Committee, then briefed the meeting on the province's efforts to improve party style and strengthen party building.

Zhejiang Workers Protest Police Beating

*HK0611101289 Hong Kong AFP in English
0945 GMT 6 Nov 89*

[Text] Beijing, Nov 6 (AFP)—Workers marched on a police station in east-coast Zhejiang Province after one of their colleagues was detained and beaten for four hours, a Shanghai newspaper received here Monday said.

The XINMIN EVENING NEWS, in its Sunday issue, said the tension was defused when the Communist Party Committee in Yongkang Town moved to take action against the police officers involved.

The incident began when Chen Tiansheng, a worker at a local tractor factory, was shackled, kicked to the floor, injured in one arm and tied to an iron grill last month for four hours when he went to get a bicycle licence, it said.

His bicycle was also seized, and a deputy police chief threatened him with 20 to 30 days' detention later, it said.

"Returning to his factory, Chen described what happened to his colleagues," the newspaper said. "Furious, more than 200 workers went to the police station to protest."

While an investigation was underway, XINMIN EVENING NEWS alleged that the police had decided to harass workers from the tractor factory because it had failed to pay a so-called "security fee."

Central-South Region

Hainan Leaders Say Open Policy Remains Unchanged

*OW0111152989 Beijing XINHUA in English
1326 GMT 1 Nov 89*

[Text] Haikou, November 1 (XINHUA)—Provincial leaders of Hainan have declared that special policies approved for Hainan by the central government remain unchanged.

Xu Shijie, secretary of the Communist Party Committee of Hainan Province, and Liu Jianfeng, newly appointed governor of the province, the biggest special economic zone in China, gave the assurance during a meeting with C.P. Yuan, managing director of Kumagai Gumi Hong Kong Limited.

The company plans to invest five billion U.S. dollars in developing the Yangpu Zone, in the northwestern part of the province.

Xu stressed that the policies for the Hainan Special Economic Zone will not be changed, and said the Chinese leadership continues to support the development of the province and the Yangpu development project.

The provincial government has recently been under fire for contracting out 32 square kilometers of land at Yangpu to a Japanese firm, saying it was detrimental to China's sovereignty.

Hainan Pushes Yangpu Free Port Plan in Beijing

*HK0111030789 Hong Kong HONGKONG STANDARD
in English 1 Nov 89 p 8*

[By Fan Cheuk-wan]

[Text] Hainan provincial leaders have gone to Beijing to fight for central government approval for the controversial Yangpu free port development plan.

Despite earlier assurances of support by various central leaders, there has been limited progress on the HK\$10 million project.

The fate of the ambitious free port plan will be an important indicator of China's commitment to the open-door policy and economic reform.

Under the Hainan government plan, 30 square kilometres at Yangpu, the province's largest deep-water port, would be leased for 70 years to a Japanese consortium led by construction giant Kumagai Gumi (Hong Kong) Limited for China's first free port.

But initial construction work has been shelved for about half a year awaiting State Council approval.

Chinese sources close to the provincial government yesterday told THE HONGKONG STANDARD the new governor, Mr Liu Jianfeng, and Hainan party secretary, Mr Xu Shijie, had taken their case to the Central Working Conference which has opened in Beijing.

The conference and the following Fifth Plenary Session of the 13th Central Committee are expected to make important decisions on China's economic reform.

"The two leaders will fight for the central government's long-awaited approval on the Yangpu project. The fate of the plan will symbolise the success of the open door policy both in Hainan and in China," the source said.

Other sources said the State Council was still divided over the controversial project.

If the plan is approved by Beijing, it will set a precedent for other provinces keen on progressive developments.

Before going to Beijing Mr Liu and Mr Xu met Mr Yu Ching-po, managing director and deputy chairman of Kumagai, to reaffirm details.

An official in the Haikou office of the Kumagai, who preferred not to be named, said yesterday that initial construction work in Yangpu was supposed to begin in June but had been delayed because State Council approval was needed.

"Kumagai hasn't signed the final version of the contract on the overall development plan of Yangpu, pending final decision of the State Council," he said.

Kumagai has paid more than 20 million yuan (HK\$40 million) to the Hainan provincial government as initial capital to lease the land in Yangpu.

"Originally we planned to start preparatory work in March to pave the way for the initial construction in June. But the Haikou customs has held up our construction material, furniture and air-conditioners worth more than HK\$1.4 million since March 26," the Kumagai source said.

"The customs authorities still refuse to release it, saying that the State Council has not yet approved the Yangpu project," he said.

He said work was unlikely to start before the end of the year.

Mr Yu was told in June by Vice President Wang Zhen that paramount leader, Mr Deng Xiaoping, had decided to proceed with the Yangpu plan. But the Kumagai source said Mr Wang's verbal promise brought nothing concrete.

"It's no use for the Chinese leaders to repeat again and again that they gave full support for the Yangpu plan. If they really support the plan, the State Council should pass the approval document as soon as possible," he said.

Meanwhile, the vice-governor of Hainan, Mr Bao Keming, hinted that dismissed governor Mr Liang Xiang was unlikely to be tried for corruption.

Mr Bao said Mr Liang was "healthy and well-treated", and his case was "not a legal case".

Hainan Province Seizes Weapons, Arrests Criminals

HK0211035789 Haikou Hainan Provincial Service
in Mandarin 0500 GMT 27 Oct 89

[Text] Over the past month, the public security organ in Wenchang County has seized 103 guns, and a number of grenades, explosives, detonators, knives, swords, and so

on. It has also arrested 56 criminals. All this has removed a hidden danger to the social order.

Not long ago, cases of some criminal elements in Wenchang County committing armed robbery and blackmail happened from time to time. This greatly harmed social order. In mid-September, the public security organ in the province started carrying out the struggle against those who were guilty of illegally producing, selling, and buying guns; 52 cadres and policemen were assigned to fulfill the task. They went down to the key areas [words indistinct] and cooperated with local cadres to investigate the cases of those important suspected individuals or households. While investigating the cases, they mobilized the masses and urged those suspects to surrender their weapons. In the meantime, they organized forces to crack down on a number of cases of armed robbery and blackmail.

On 18 September, 14 criminal elements committed an armed robbery in (Yueping) District. Public security cadres and policemen cracked the cases within 9 hours.

Southwest Region

Sichuan Faced With Serious Employment Situation

HK0311025789 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 28 Oct 89

[Excerpts] According to news released from the provincial employment work conference which concluded yesterday [27 October], our province will face another employment peak in the coming 3 years and 550,000 people in our province are awaiting job opportunities this year. [passage omitted] In the next 3 years starting from this year to 1991, more than 1.2 million people will be seeking employment in our province, the number of job-seeking people is higher than the previous two employment peaks. However, our country is just now in the stage of carrying out economic improvement and rectification and deepening the reforms. Enterprises under ownership by the whole people are unable to employ more workers and staff and, what is more, should sort out and cut down workers and staff not included in state plans. Furthermore, collective and private economic sectors will also be restricted from employing new workers and staff to a certain degree. Our province is facing a serious situation in employment.

Leaders in charge of employment from 21 prefectures, cities and autonomous prefectures attended the meeting. Governor Zhang Haoruo and Vice Governor Xie Shijie attended and addressed the meeting.

Chengdu Military Region Holds Meeting in Guizhou

HK0611103089 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 2 Nov 89

[Text] The people's air defense work conference of the Chengdu Military Region was held in Guiyang yesterday [1 November] afternoon.

Attending it were Zhang Yuqin, vice governor of Guizhou provincial government; Jiao Bin, commander of the Guizhou Provincial District; and Wei Zhaosheng, deputy chiefs of staff of the Chengdu Military Region.

Both Zhang Yuqin and Jiao Bin delivered a speech at the meeting. In her speech, Zhang Yuqin pointed out that work of the people's air defense and war preparedness should proceed from both economic development and wartime needs, properly rationalize the relationship between the people's air defense and war preparedness work and economic construction, and take the work as an item on the agenda of government work. She called on the people's air defense and war preparedness organs at different levels to seriously implement the directive of the State Council and the Central Military Commission on perfecting the people's air defense and war preparedness organs and to strengthen the people's air defense and war preparedness offices at different levels organizationally and ideologically and improve their work style. Meanwhile, the people's air defense and war preparedness departments at different levels should be strictly run as military departments by instituting the system of personal responsibility and management by objective, raise work efficiency, and fulfill all tasks assigned by the higher authorities on time.

Tibet Meeting Held on Screening Pornography

*HK0111025089 Lhasa Tibet Regional Service
in Mandarin 1430 GMT 27 Oct 89*

[Excerpts] On the afternoon of 25 October the autonomous regional party committee called a work meeting in Lhasa to listen to a report by the Lhasa City party committee on carrying out rectification and examination and opposing separatism. (Tian Zhongming), deputy secretary of the regional party committee, presided over the meeting. Other deputy secretaries included Basang and Gyaincain Norbo; Tibet Military Area Deputy Commander (Gao Changjin); and responsible comrades from departments of the regional party committee and government attended the meeting. The meeting fully confirmed that Lhasa had done a great deal of work and achieved good results in screening and examining pornography. [passage omitted] The meeting emphatically pointed out that screening and examining pornography constitutes an important part in implementing the spirit of the 4th Plenary Session of the 13th CPC Central Committee, and doing a good job in this respect concerns the prosperity of the cause of the party, the state, and the people and also has an important bearing on Tibet's long-term stability. [passage omitted]

North Region

Beijing's Li Ximing Speaks on Young Pioneer Work

*SK0111041289 Beijing BEIJING RIBAO in Chinese
14 Oct 89 p 1*

[Text] Young Pioneers, instructors, and comrades:

How are you!

Following the activities in celebration of the 40th National Day, we welcome the 40th anniversary of the founding of the Chinese Young Pioneers alongside the friends with red scarves. This festival should be celebrated well. On behalf of the municipal party committee and the municipal government, I extend festival regards to the 800,000 Young Pioneers in the municipality, extend lofty respects to the instructors for the broad masses of the Young Pioneers, and express heartfelt thanks to the comrades who have been concerned with and supported the work of young pioneers.

The mass organization for the children—the Chinese Young Pioneers—was established 13 days after the founding of New China 40 years ago. Over the past 40 years, under the guidance of the banner of the party, directly under the leadership of the Communist Youth League [CYL], and through painstaking cultivation by the instructors of various generations, the Young Pioneer organization has educated and cultivated groups of new communist men. Some of them have been working on all fronts in the capital as model members of the CPC and the CYL and as advanced figures who selflessly devote themselves to socialist modernization. The early-youth education and instruction is of extreme importance to a person's growth. The heavy mission for educating, instructing, and cultivating the children undertaken by the Young Pioneers organization has become a key component of our party's undertaking. The course that the Young Pioneers has taken over the past 40 years will be recorded in the glorious history of our socialist Republic.

Recently, Comrade Deng Xiaoping wrote an inscription for the 40th anniversary of the founding of the Chinese Young Pioneers which reads "Cultivate successors to the cause of revolution with lofty ideals, moral integrity, education, and a sense of discipline to the cause of proletarian revolution." This is the fundamental principle for guiding the construction of the Young Pioneers. We must resolutely and comprehensively implement it. The work experience accumulated by the Beijing Municipal Young Pioneers over the past 40 years is to educate the children constantly and persistently with socialist and communist concepts and to make them become reliable successors to the cause of the proletarian revolution. We must not lose this work experience at any time or under any circumstances, much less negate it.

The Young Pioneers shoulder heavy responsibilities. I hope that Young Pioneers shall continue to hold high the banner of communism unswervingly. On 13 October 1949, when the Young Pioneers were organized, our party clearly announced that we should build the Young Pioneers into a school to introduce the children to communism. So, the political character of the Young Pioneers was decided by the historical mission of the party. The supreme guiding principle of the CPC is to abolish the system of exploitation in the world and set up a communist society. However, the realization of the

communist ideal needs the arduous work of several generations, even tens of generations, as well as the hard work of tens of thousands of qualified successors to the causes of socialism and communism. Thus, the Young Pioneers must hold high the banner of communism, persistently introduce the children to communism, and guide them to foster the will of becoming successors to the cause of communism. As everyone knows, the turmoil and the counterrevolutionary rebellion took place in the capital during the late spring and early summer of this year. This political storm greatly shocked the whole party and all the people of the country. We further understand that we must adhere to the four cardinal principles, persist in the socialist orientation of reforms, and cultivate successors who are devoted to the cause of proletarian revolution in order to overcome the "peaceful evolution" offensive and menace of the international reactionary forces. Without doubt, it is of extreme necessity and importance to introduce children to communism in line with this political strategy. Our purpose to do so is to have children understand that "the interests of the people is higher than everything," that there will be no New China without the Communist Party, that only socialism can save China, that only socialism can develop China, and that they should love the motherland and the people and be fond of study, science, and labor. Fundamentally speaking, we must help children lay a good ideological and moral foundation and ensure that they will grow up healthily along the political orientation guided by the party.

I hope that Young Pioneers continue to persist in the principle of comprehensive development and become the cradle to bring up talented personnel. The education of Young Pioneers is a key component of the overall school education. At the time of cooperating with schools to implement the party's educational principles, the Young Pioneers should pay full attention to bringing their organizational functions and characteristics into full play, guide the children to participate in practical activities, and strengthen themselves in the course of these activities.

I hope that in the light of the physical and mental characteristics of the children, the Young Pioneers should strive to build itself into a paradise that children are really fond of. As an organization for the children themselves, the Young Pioneers should fully arouse their initiative and creativeness. Children are innocent, curious, and very active and restless. In line with these special characteristics, the Young Pioneers should positively launch colorful and vivid educational activities in which the children can find pleasure, be educated, enhance their abilities, discipline themselves, go in for physical training, develop interests, and grow up healthily.

Comrades, educating and guiding the children to become successors to the cause of proletarian revolution is not a matter only for the Young Pioneers, but a common political duty of society as a whole. As a direct leader of the Young Pioneers, the CYL should conscientiously

sum up its experiences in guiding the work of the Young Pioneers gained over the past 40 years and further grasp the orientation for the Young Pioneers' advance. At the same time, the CYL should make more concrete efforts for the Young Pioneers. Educational and administrative departments should positively support the Young Pioneers to launch various useful activities and make efforts to help solve some practical problems and develop the work post of Young Pioneers into an attractive work post. The press, the front for popularizing science, television, and publication fronts should persist in the correct political orientation and provide the children with more healthful and profitable nourishment for their minds. As places where the children engage in social practices, industrial and mining enterprises, stores, and army units should conscientiously treat and arrange practical activities. Museums, memorial halls, and sacred places of the revolution are good places to conduct education on revolutionary traditions and ideals for children. Thus, these places should positively and actively open themselves to the children. The broad masses of parents should conscientiously bear the solemn duty of educating their children and affect and educate them with their own exemplary behavior. In short, through the concerted efforts of the whole party and the whole society, we should strive to create the fine practice in the capital that everybody is concerned with the work of Young Pioneers and the growth of children. We should resolutely resist the corrosive influence of bourgeois liberalization and various corrosive and backward concepts over the children and resolutely deal blows to activities in violation of the children's interests, rights, and physical and mental health.

Young Pioneers, you are the people of a new generation to face, step toward, and create the future. So, the people of the older generation sincerely hope that you will make even faster progress, become stronger, study hard, and make progress every day. You are the rising sun, the future belongs to you, and hopes are placed upon you.

Beijing CPC Plenary Session Concludes 15 Oct

SK3110094389 Beijing BEIJING RIBAO in Chinese
16 Oct 89 pp 1, 4

[Text] The Seventh (enlarged) Plenary Session of the Sixth Beijing Municipal CPC Committee concluded on 15 October.

Participants in the session further studied the important speech given by Comrade Jiang Zemin at the rally in celebration of the 40th anniversary of the founding of the country; discussed party building and ideological and political work in a concentrated manner; discussed the report to this session given by Li Ximing, secretary of the municipal party committee; and discussed and approved in principle the municipal party committee's "decision on strengthening party building and ideological and political work." They fully approved this session, holding that it had been very timely and necessary to conduct a special study on strengthening party building

and ideological and political work in line with the guidelines of relevant central instructions, and one for arousing the people's spirit, eliminating their dissatisfaction, and enhancing their confidence.

Li Ximing gave an important speech at the closing ceremony on 15 October, again stressing the importance of studying comrade Jiang Zemin's important speech. He said: Jiang Zemin's speech is a political declaration to our country and foreign countries given by the third generation of the leadership collective of our party, and an action program guiding the people of our country in building socialism with Chinese characteristics. The municipal party committee and government should take the lead in the study. Districts, counties, bureaus, general companies, and party and government leading bodies at various levels should all conscientiously study it well, and organize the masses of party members and workers to study it so as to truly unify their thinking in line with Jiang Zemin's speech and enhance their understanding. The study should be linked closely to the actual conditions; education in adherence to the four cardinal principles; the criticism of bourgeois liberalization; the investigation work; the endeavor to improve, rectify and deepen reform; and the practice of various work.

Li Ximing said: At present, the entire party, the first of all leading cadres, should further foster and enhance their sense of respect for party leadership. From the recent turmoil and counterrevolutionary rebellion, we can clearly see that hostile forces at home and abroad are attempting in vain to make the socialist cause and socialist system collapse, especially the Communist Party—the central force leading the socialist cause. This gave us a profound lesson by negative examples for us to enhance our understanding of the importance of strengthening party leadership from the perspective of the struggles between infiltration and anti-infiltration, evolution and anti-evolution, and subversion and anti-subversion; exert conscientious efforts to improve the party itself; and see to it that party leadership is upheld on all fronts.

Li Ximing said: With a sense of respect for the party and party leadership, many problems in understanding, ideology, and contradictions in actual work will be solved more easily. With a sense of respect for the party, the relationship between the role of grass-roots party organizations as a "core" and the "central" position of enterprise directors will be handled more successfully. Party leadership is focal point for the fundamental interest of the party's cause and the socialist cause. As long as party secretaries and enterprise directors proceed from this fundamental interest, with party secretaries respecting the position of the enterprise directors in administration and refraining from taking over their routine administrative work, and with enterprise directors regarding the supervision by party organizations as a fundamental guarantee for successfully running socialist enterprises instead of bondage, many contradictions will be resolved more properly.

Speaking on exerting great efforts to improve leading bodies at various levels, Li Ximing said that currently we should stress 1) political firmness, and 2) honest work styles.

Speaking on the current investigation work, Li Ximing said: The investigation work should be thoroughly carried out to the end. The masses should be further mobilized. This is the basis deciding whether the investigation work is thoroughly carried out. We should guard against perfunctoriness, strictly clarify the bounds of policies, and set free the majority as soon as possible.

Li Ximing pointed out: We must enhance the ideas on class struggle and political struggle, and conscientiously attach importance to and strengthen the work in the ideological field. The severity of the current political struggle is manifested in a concentrated manner in the ideological field, and we should never slacken our vigilance. Departments and units on theoretical, ideological, and cultural fronts should fully understand their historical responsibility, which is to defend Marxism, the leadership of the Communist Party, and the socialist road. To defend all these, we should have a clear stand and a militant spirit, take the initiative in action, and wield the weapon of criticism. Over the past few years, due to the influence of Comrade Zhao Ziyang's erroneous ideas and the trend of bourgeois liberalization, we have lost some fronts in the ideological sphere, and we should recover them one by one. On the fronts we have not lost, we should also never underestimate the influence of bourgeois liberalization or lack an adequate understanding of it. Propaganda Departments and the media should understand their historical responsibility from the perspective of the international struggle between socialism and capitalism, firmly grasp the leading power in theoretical, ideological and cultural work in the struggle between the proletariat and the bourgeoisie, and persistently occupy the various fronts in the ideological sphere with socialist and communist ideas.

Li Ximing emphasized: We should maintain the continuation and stability of policies. One important current task we face is to exert concerted efforts to consolidate and develop the successes in checking the turmoil and suppressing the counterrevolutionary rebellion, consolidate and develop the stable and united political situation, and strive to achieve a stable growth of the national economy. To attain this goal, the most fundamental work is to implement the party's basic line unswervingly and carry out the party's various principles and policies comprehensively and correctly. We should make it possible for the vast number of party members and the masses, particularly leading cadres at various levels, to understand clearly that the purpose of opposing bourgeois liberalization and criticizing Comrade Zhao Ziyang's mistakes is to eliminate interferences and better implement the various principles and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee, and is never to negate reform and opening up. We should persist in and improve all the measures for reform and opening up that proved effective and correct over the past 10 years. We should guard against

lopsidedness, going from one extreme to another, and large fluctuations in policies.

We should develop the economy persistently in a planned and proportionate manner and lay more emphasis on the guiding role of plans in the process of improvement and rectification. Meanwhile, we should combine the planned economy with the market regulation and further establish and improve the market order. In economic development, we should persistently make public ownership predominant and resolutely oppose the proposition for practicing privatization in China while developing the various sectors of the economy, and giving play to the beneficial and necessary role of the individual economy, the private economy, Sino-foreign joint ventures and cooperative enterprises, and exclusively foreign-funded enterprises in supplementing the socialist economy. We should carry out various forms of distribution with distribution according to work as the major form, and guard against and correct unfair distribution while encouraging some people with common affluence as their goal to achieve affluence ahead of others through honest labor and legal business. We should wholeheartedly rely on the working class, strengthen the leadership of the working class, and resolutely oppose all views that belittle and negate the position and role of the working class while continuing the policy of "respecting knowledge and talented people" and conscientiously implementing the policy on intellectuals laid down since the 3d Plenary Session of the 11th CPC Central Committee. We should uphold the people's democratic dictatorship, safeguard social stability, and resolutely oppose ultra-democracy and anarchism while accelerating efforts to improve democracy and the legal system and establishing and improving the procedures and systems for democratic policymaking and supervision to make sure that the will and interest of the people are manifested in the activities of the state and the society. We should persist in the leading role of Marxism in the ideological field, resolutely eliminate the influence of the ideological trend of bourgeois liberalization while adhering to the principle of letting a hundred flowers blossom and a hundred schools of thought contend and the principle of serving the people and socialism, invigorate theoretical study, and make literary and art creation flourish. We should strengthen party leadership and oppose all reactionary ideological trends that negate party leadership and advocates the Western multi-party system while adhering to the principle of "long-term coexistence, mutual supervision, treating each other with all sincerity and sharing weal and woe," widely encourage the various democratic parties and patriotic figures from various circles to participate in political affairs, and continue to improve the system of multi-party cooperation and political consultation under the Communist Party leadership. We should firmly establish the position of grass-roots party organizations as a political core, and resolutely oppose the erroneous views that belittle the position and role of grass-roots party organizations while—at the enterprises and institutions that

enforce the administrative leader responsibility system—supporting administrative leaders to exercise their power in production, professional, and other work independently and in a responsible manner. We should uphold the principles of independence, keeping the initiative in our own hands, self-reliance, plain living and hard struggle while opening wider to the outside world, promoting the cultural exchanges with foreign countries, and importing and using foreign capital in a better way. In short, we should uphold the principle of seeking truth from facts, avoid large fluctuations, and stabilize policies and the situation. Only by so doing can we fully boost the enthusiasm of all quarters under party leadership, strengthen unity, and arouse our spirit to win a new and even greater success.

Chen Xitong, deputy secretary of the municipal party committee and municipal mayor, presided over the session and gave an important speech. He stressed the need to implement successfully the guidelines of this session and give more attention to economic work. Attending the session were Li Qiyang, Wang Jialiu and Wang Guang, deputy secretaries of the municipal party committee; Li Jinmin, Li Zhijian, Zhang Jianmin, Meng Zhiyuan, Yuan Liben and Chen Guangwen, Standing Committee members of the municipal party committee; Wang Xian, chairman of the municipal Advisory Commission; Zhao Pengfei, chairman of the municipal People's Congress Standing Committee; and Bai Jiefu, chairman of the municipal Committee of the Chinese People's Political Consultative Conference.

Beijing Advisory Commission Holds Plenary Session

SK3110124789 Beijing BEIJING RIBAO in Chinese
16 Oct 89 p 1

[Text] The Beijing Municipal CPC Advisory Commission held its seventh plenary session on 15 October.

Comrade Wang Xian, chairman of the municipal Advisory Commission, presided over and addressed the session.

Comrades participating in the session held that the plenary session of the municipal party committee held after the decisive victory in suppressing the counterrevolutionary rebellion to conduct a special discussion on strengthening party building and make a decision on strengthening party building and ideological and political work was very timely and necessary.

In line with actual conditions, particularly the severe political struggle to check the turmoil and suppress the counterrevolutionary rebellion, participants to the plenary session of the municipal Advisory Commission conscientiously discussed the importance and urgency of strengthening party building and ideological and political work. They held that it is imperative to remain highly vigilant; strengthen ideological and political work from the perspective of the struggle against subversion,

infiltration and peaceful evolution; build the party successfully; and safeguard and develop the socialist cause paid for with the lives and blood of millions of revolutionary martyrs.

The session urged: Comrades of the municipal Advisory Commission should conscientiously study Marxism-Leninism-Mao Zedong Thought and set an example in carrying forward the party's fine traditions and work styles of integrating theory with practice, maintaining close ties with the masses, and conducting criticism and self-criticism. They should adhere to party principles and proceed from the fundamental interest of the masses when thinking over problems and offering suggestions, and should resolutely oppose the abuse of power for selfish gain. Whenever they can, they should go to the masses and the grass roots to conduct investigations and study, give heed to the voice of the masses, show concern for their hardships, report their demands, and make contributions to restoring and strengthening the flesh-and-blood relations between the party and the masses.

Tianjin's Tan Shaowen Attends Gathering for Aged

SK2810055089 *Tianjin TIANJIN RIBAO in Chinese*
9 Oct 89 pl

[Text] Yesterday afternoon, the singing was loud and clear at the theater of the No 1 Municipal Workers Cultural Palace because the literary and art get-together cosponsored by the Propaganda Department of the municipal party committee, the municipal Committee of the Ageing, the municipal Cultural Bureau, and the municipal Trade Union Council was held there to celebrate the first Tianjin municipal festival for the elderly. Leading municipal comrades, including Tan Shaowen, Zhang Zaiwang, Wang Xudong, Lu Xuezheng, Han Tianyao, Bai Hualing, Zhao Jinsheng, Liao Canhui, Wang Yongchen, Tao Yimin, and Han Enjia; and veteran comrades such as Wang Enhui, Bai Hua, and Zhou Ru attended the get-together to mark joyfully the first municipal festival for the elderly together with those who received the municipal-level "awards for the old elite who make contributions during their remaining years" and the "award for good sons and daughters who respect the elderly," and the old people from various circles who contributed to the four modernizations.

At the get-together, a representative of the band of the Chengdudao Primary School in Heping District gave a congratulatory speech to wish the grandfathers and grandmothers throughout the municipality a happy festival, happiness in their families, good health, and a long life. Some noted artists and performers in the municipality presented a brilliant literary and art performance at the get-together. After the performance, leading municipal comrades went up the stage to congratulate the performers on the successful performance and posed for a group photo with them.

Tianjin Leader Addresses Higher Education Meeting

SK3110010789 *Tianjin City Service in Mandarin*
2300 GMT 28 Oct 89

[Summary from poor reception] On 28 October, the municipal party committee sponsored a meeting on the work of higher educational institutions. Comrade Tan Shaowen, secretary of the municipal party committee, addressed the meeting.

"In his speech, Comrade Tan Shaowen stated: In conducting higher education, we should grasp not only education in the fields of acquiring information, physical activity, and social skills, but pay great attention to the moral training of students. We should adopt measures to train students in a comprehensive way and enhance student moral education in various fields to straighten out students' ideology and gradually foster a pattern in which families, schools, and society mutually train the younger generation. Efforts should be made to truly lead students to follow the worker-peasant combination road. In conducting theoretical teaching, we should earnestly study the social phenomena and present more facts for proof so as to help students foster a firm and correct political orientation. We should also enhance leadership over the ideological and political work, put the work in its correct place, and clearly discern the tasks in the work. We should have the issue of setting up political orientation for schools manifest itself in the whole process of training talented personnel."

"In his speech, Comrade Tan Shaowen stated: Failure or success in the work of higher educational institutions depends on the leadership of the institution party committee and administrative office. Thus, he put forward the following demands for the school leadership: 1) Efforts should be made to enhance the political steadfastness and sharpness, to pay great attention to upholding the four cardinal principles while conducting work, and to oppose bourgeois liberalization by taking a clear-cut stand. 2) Efforts should be made to go deep into reality, carry out work in a down-to-earth manner, and learn about the ideology and working conditions of the broad masses of teachers to help them solve their practical problems. 3) Efforts should be made to enhance the study of Marxist theories. 4) Efforts should be made to enhance party building and to put the school party committee in the core position in the work of higher educational institutions so as to enable the various work to keep in unison with the party."

"In his speech, Comrade Tan Shaowen also urged the entire party and all social circles to show concern or support the work of higher educational institutions."

"At yesterday's meeting, Qian Qiao, vice mayor of the municipality, also delivered a report to make work arrangements for higher educational institutions, which are as follows: 1) Efforts should be made to implement earnestly the speech of Comrade Jiang Zemin on National Day and to uphold the socialist orientation for running schools. 2) Efforts should be made to enhance

leadership over the work of investigating and dealing with cases of disturbances, and to unite with or depend on the vast majority of the masses so as to carry forward the investigation work through to the end. 3) Efforts should be made to bring into play the political core role of party organizations in higher educational institutions. 4) Efforts should be made to enthusiastically support or depend on intellectuals to do a good job in building the contingent of teachers. 5) By upgrading educational quality, efforts should be made to carry out reforms deeply among higher educational systems."

Northeast Region

Heilongjiang Holds Standing Committee Meeting

SK3110043689 Harbin Heilongjiang Provincial
Service in Mandarin 2200 GMT 28 Oct 89

[Text] On the afternoon of 27 October, the Heilongjiang Provincial CPC Committee held a Standing Committee meeting calling for continuous efforts to thoroughly carry out the nine items of work of popular concern. Standing Committee members in charge of the nine items of work gave reports on how the work under their respective charge had been done. They unanimously stated: Since 7 August, when the Standing Committee meeting of the provincial party committee discussed and made a decision to implement the guidelines of the plenary session of the Political Bureau of the party Central Committee and successfully carry out the nine items of concern to the people of our province, leaders of the six provincial-level organs have attached great importance to the performance of the work by taking the lead in implementing the guidelines of the decision, dividing the work, and having the responsibilities assigned. Up to now, the province has sealed up nearly 200 suites of empty rooms, recovered more than 200,000 yuan of public funds which had been used to refurbish houses in excess of the prescribed standards, recalled more than 17 million yuan of funds which had been issued excessively to subsidize housing construction, confiscated more than 80,000 yuan of funds and fines illegally gained through subleasing real estate or brokering loans, recovered more than 80 suites of rooms which had been occupied in excess of prescribed standards, and publicly handled 84 cadres who had violated discipline during housing construction. After the decision was promulgated, our province again disbanded and merged more than 200 companies, and adjusted the allocation of cars to provincial-level cadres according to the guidelines of the circular of the general offices of the State Council and the party Central Committee, thus greatly changing the situation in which cadres at departmental and sectional levels were allocated cars, openly or covertly, and went to work by sedans. In the meantime, the province has discovered 2,526 cars that were purchased in violation of discipline and imposed fines totaling more than 4.82 million yuan. Certain results have been achieved in strictly controlling [words indistinct] of leading cadres. Thanks to a series of effective

measures, the number of cadres of party and government organs who used public funds for travel has been greatly reduced, and the trend of attending parties and giving presents has been by and large checked. When going down to lower levels, cadres of leading organs have been able to take meals according to the prescribed standard, or to take the same meals as those of local workers and pay for them. The province has preliminarily investigated the situation in which the spouses and the children of incumbent leading cadres at and above the level of deputy chief of provincial organs engaged in commercial activities, and has made arrangements for various cities and prefectures to prohibit the spouses and children of their leading cadres from engaging in commercial activities. In the appointment and removal of cadres, the province has stressed comprehensive implementation of the policy of four requirements for cadres and the principle of appointing people according to their political integrity and ability. Previous practices of appointing cadres in defiance of the requirements and procedures and promoting cadres too rapidly have been corrected. The province has defined and adhered to the system of avoiding nepotism in the transfer of cadres. From January to September, discipline inspection departments throughout the province put on file 3,945 cases committed by party members, of which 3,246 cases have been thoroughly investigated and concluded, and 3,121 party members were punished. After the decision was transmitted to lower levels, supervision departments at various levels have investigated and handled 1,732 discipline breaches, the cases of 2,115 persons have been put on file for investigations, and cases involving 1,413 persons have been concluded. A total of 49 cadres at and above the county and section levels were punished, of these 5 were cadres at and above the departmental level. In short, after the decision on successfully carrying out the nine items of work was issued, substantial progress and fairly remarkable results have been achieved in carrying out the work thanks to the efforts of party and government leaders at various levels to personally pay attention to it, and the active efforts of the various departments concerned.

It was noted at the meeting: The task to implement the guidelines of the plenary session of the Political Bureau of the party Central Committee and carry out the nine items of work of popular concern has just begun. We should exert unremitting efforts to fulfill it, conscientiously eliminate the corrupt phenomena within the party, achieve success in honest performance of official duty, and inherit and carry forward the party's fine traditions in order to win the trust of the masses.

It was also stressed at the meeting: We should thoroughly eliminate pornography and achieve success in this work. Proceeding from the actual conditions of our province, we should clarify the bounds of policies in a realistic manner, guard against the influence of negative public opinion, and be determined to eliminate all those that stage a rebuff. The focus of the work to clean up companies should be placed on those detrimental to the

normal development and operation of the wholesale-retail field and those engaged in buying up goods and reselling them at a higher price. We should make active efforts to audit the money and property of the companies which are dissolved, and the personnel of these companies should go back to where they came from. Promotion without going through the stipulated procedures will not be acknowledged, and will be (?handled) according to their original grades. Those who reach the age for retirement should retire according to the regulations for retirement. Companies which help develop our province's economy should be protected. Cars should be allocated to provincial-level cadres strictly according to regulations. Arrangements should be made for those who are not entitled to special cars in such a way that public cars for them are guaranteed. People who use public cars for private purposes should pay the fare. Actual conditions should be considered when replacing imported cars with domestically produced cars. For the time being, all the imported cars will not be replaced with domestically produced ones so as to avoid a new car buying spree and new waste. The existing cars will not be replaced with domestically produced cars until they have to be scrapped. Foreign trips by leading cadres should be strictly controlled. Leading cadres are not permitted to conduct overseas trips by car unless the trips conform to the actual needs of work. They are also not permitted to make their subordinate units reimburse their travel expenses. Travel with public funds should be strictly prohibited. From now on, meetings held in Heihe City by the units of the province should be strictly controlled. Work discipline for cadres should be strictly enforced to eliminate unhealthy trends in appointments of cadres. Transfer of cadres should be (?conducted) in the 4th quarter of this year. We should resolutely prohibit leading cadres' spouses and children and their children's spouses from engaging in commercial activities. We should first solve the problems of the Standing Committee members of the provincial party committee and provincial vice governors whose spouses and children, and children's spouses are engaged in business in companies in the wholesale-retail field. Then we should solve the problems of the cadres at the level of deputy chief of provincial organs. The problems of the cadres at departmental, bureau, county, and section levels should first be clearly investigated then handled in an active and prudent manner after the central authorities give specific guidelines. The time limit as fixed in the circulars of the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Supervision for criminals to turn themselves in will soon expire. Concerned departments should work out follow-up measures as soon as possible. We should continue to mobilize widely the masses to report crimes, and make the work of reporting crimes be carried out in a persistent and down-to-earth

manner. Cases reported by the masses should be investigated and verified one by one. We should investigate and conclude as soon as possible the major cases of which clues have been secured and ascertained. Cases of retaliating against and persecuting people who report crimes should be strictly handled. We should fully understand the seriousness and danger of the false diplomas, false records of formal schooling, and false titles that have currently appeared in society; include the work to eliminate these false diplomas, records of formal schooling, and titles in the agenda of party committees and governments at various levels; conduct thorough reexaminations; and correct them resolutely. If discipline breaches are involved, they should be strictly dealt with.

Comrade Sun Weiben presided over the meeting.

Jilin Leader Attends Standing Committee Meeting

*SK0111053989 Changchun JILIN RIBAO in Chinese
5 Oct 89 p 1*

[Excerpt] On the morning of 4 October, the participants in the Standing Committee meeting of the provincial party committee, which was presided over by Comrade He Zhukang, secretary of the provincial party committee, conscientiously studied Comrade Jiang Zemin's speech made at the rally marking the 40th anniversary of the founding of the PRC. The participants unanimously maintained that Comrade Jiang Zemin's speech, from a high plane of history, has summarized the glorious achievements and historical experiences gained over the past 40 years since the founding of the PRC and has indicated the objective law governing China's modern social movement, that is, only socialism can save China and only socialism can develop China. The Standing Committee members of the provincial party committee, as well as leading comrades of the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial Committee of the Chinese People's Political Consultative Conference, the provincial Discipline Inspection Commission, and the provincial Military District who participated in this meeting, unanimously maintained: Comrade Jiang Zemin's speech has upheld and developed the theory of building socialism with Chinese characteristics, has upheld and followed the basic line of the party during the initial stage of socialism, and has upheld and manifested the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and the important speech of Comrade Deng Xiaoping, thus being a programmatic document of Marxism-Leninism-Mao Zedong Thought and a powerful ideological weapon to unify further the knowledge of the entire party and all people of the country. Therefore, this speech is of extremely great significance in guiding us to strive for new victory in socialist undertakings. [passage omitted]

Government's 'Flexible' Foreign Policy Criticized

OW1910012289 Beijing in Mandarin to Taiwan
0205 GMT 7 Oct 89

[From the "Rambling Talk on Current Events" program]

[Excerpt] [Passage omitted on China's diplomatic initiatives in the early 1980's and its current efforts to widen contacts with countries throughout the world]

Listeners, it is noteworthy that the foreign policy pursued by China in the 1980's was a major contribution to the grand cause of reunifying the motherland. In 1979, the Chinese Government outlined its principles for the peaceful reunification of our motherland. Thanks to the efforts of all parties concerned, the Chinese and British Governments signed a joint declaration on Hong Kong in December 1984. The Chinese Government signed a similar declaration on Macao with the Portuguese Government in April 1987.

Working under the concept of "one country, two systems," China gave full consideration to the history and current situation in Hong Kong and Macao. It also took into account the disparities between the territories and itself. Accordingly, it decided to maintain the capitalist systems in the two territories in order to ensure their continued prosperity, stability, and development after it resumed sovereignty over them in 1997 and 1999 respectively. The economic interests of Britain, Portugal, and other countries in Hong Kong and Macao will be protected. This policy is realistic and reasonable because it is based on the fundamental interests of the Chinese people, including the compatriots in Hong Kong and Macao. It also takes into consideration the interests of various political parties.

Listeners, the signing of the two declarations is a great step toward the reunification of the motherland. It has opened broad prospects for increased cooperation between China and Britain. It has also increased the possibility for greater cooperation between China and Portugal. The joint declarations are significant to the maintenance of peace in the world and in Asia. In order to promote the peaceful reunification of Taiwan and the mainland and ward off external interference and obstruction, China maintained a consistent foreign policy. Under this policy, China has adamantly fought all global attempts to interfere in its internal affairs and to advocate the concept of "two Chinas" or "one China, one Taiwan."

The Taiwan authorities have recently intensified efforts to pursue their so-called flexible foreign policy. The Chinese Government has sharply criticized the policy as an attempt to create "two Chinas" or "one China, one Taiwan" by relying on external forces and setting political conditions through economic and trade relations. By adhering to its principles and refusing to compromise,

China has forestalled the dual recognition [of China and Taiwan] by foreign countries. [Passage omitted on the prospect of China playing an increasingly important role in world affairs through its independent and peaceful foreign policy, reform, and opening to the outside world]

XINHUA Cites Paper on 'Chaotic' Situation

OW2210090089 Beijing XINHUA Domestic Service
in Chinese 1357 GMT 21 Oct 89

[Local Broadcast News Service]

[Text] Beijing, 21 Oct (XINHUA)—An editorial in the TAIWAN SHIBAO [TAIWAN TIMES] not long ago warned that "everyone is worried about how long Taiwan's superficial prosperity will last."

This editorial, entitled, "When Will the Chaotic Situation in Taiwan End?" pointed out: There is chaos everywhere in Taiwan at present, including a chaotic stock market, a chaotic social order, chaotic official circles, a chaotic commercial market, a chaotic academic and ideological realm, chaotic economic development, a chaotic legal system, a chaotic political realm, and chaos in distinguishing right from wrong and good from bad and in maintaining moral standards.

The article said: Utilitarianism prevails in Taiwan. This is the main reason for the chaotic situation in which Taiwanese society finds itself. This chaotic situation impairs social values, which "provides bad people a good opportunity to emerge." For example, those in the government who lack self-respect are often promoted. In the commercial field, only those who dare to drift along aimlessly or speculate can make money and become rich. This situation affects even schools, where only those who drift along aimlessly succeed. The editorial pointed out: "Collaboration between government officials and businessmen provides a shortcut to promotion in the government and success in business. Utilitarianism and the practice of helping tyrants do evil prevail in society, while the sense of justice remains weak. Therefore, things are often turned upside down."

Taiwan's political parties are in a state of chaos. For example, when Kuomintang members run for their party's nomination for an election, they often take their own interests into consideration. When these candidates fail to gain the nomination, they immediately oppose the Kuomintang. Thus, these people use the Kuomintang for purely selfish motives and private gains.

The editorial said: Although Taiwan's economy is fairly developed, society itself is insecure. Taiwanese civilians feel they are living in danger. Taiwan also suffers from excessive environmental pollution which has brought about a serious ecological imbalance. Another serious problem in Taiwan is the degradation of its moral and ethical standards which impairs the quality of life of the people in Taiwan.

Commentary Views Efforts To Ease Trade Friction

*OW0111072289 Taipei International Service
in English 0200 GMT 31 Oct 89*

[Station commentary: "The United States Approves of ROC Trade Stance"]

[Text] In a Treasury Department report released last Friday, the bad news is that Uncle Sam is still skeptical about the United States' chances to turn around its massive trade deficit anytime soon. The good news comes for the Republic of China [ROC] on Taiwan.

Washington says in the report that it approves of the measures Taipei has taken to do its part to lower the trade deficit. In years gone by, Taiwan was nearly always lumped together with Japan and South Korea as a target of U.S. scorn on trade issues. That was because Taipei enjoyed a huge trade surplus, the largest with the United States, if measured on a per-capita basis. But in the past year, Taipei was able to take several measures to lower its surplus with the United States by 40 percent. The steps included opening of markets to U.S. competitors, especially in the services sector; slashing of tariffs on popular American-made products; and last, but most importantly, Taipei allowed the Taiwan dollar to appreciate some 45 percent in value against the U.S. dollar in the past 2 years.

The latter measure makes Taiwan products more expensive, and therefore less attractive in the U.S. market; it also makes U.S. products cheaper on Taiwan markets, and therefore much more attractive. The result has been a boom in sales of imported U.S. products in Taiwan. Everything from cars to washing machines are selling literally like hot cakes.

In the latest Treasury report, the United States says it is satisfied with Taipei's efforts to revalue the Taiwan dollar. Until now, Washington has charged that both Taiwan and South Korea manipulate their currencies to make their products cheaper in foreign markets. That charge still stands against Seoul in the report.

The ROC on Taiwan has moved quickly to erase its trade surplus with the United States for two major reasons. One, of course, is because of U.S. pressure. In the mid-eighties, Washington suddenly awoke to the dangers of a continually growing trade deficit. The U.S. Congress has made trade a major issue in recent years as a result. This translated into much pressure on the East Asian nations who have traditionally enjoyed large surpluses with the United States. Of the countries involved, only the ROC on Taiwan has responded and won U.S. approval for her efforts.

The second major reason concerns the structure of the ROC's foreign trade. Economic officials here had a realization of their own in the mid-eighties. Taiwan was simply too reliant on the U.S. market for exports. In statistical terms, the problem was clear. In 1987, 44

percent of Taiwan exports went to the U.S. This overreliance on the U.S. market presented a clear danger to Taiwan's economy, especially with Washington pressing hard on trade issues.

Taipei's answer has been to diversify into Europe, Canada, Australia, and Southeast Asia. The plan has gone well, with European trade up more than 100 percent a year in the past 2 years and similar growth recorded with the other areas mentioned.

Although trade remains the lifeblood of the Taiwan economy, it is becoming less of an issue with Washington and other trade partners. The reason is simple: the ROC on Taiwan has become the responsible and responsive trader she has set out to be.

Candidates Warned Not To Advocate Independence

*OW0211115789 Taipei CHINA POST in English
25 Oct 89 p 12*

[Text] Chen Han, chief prosecutor of the Taiwan High Court, yesterday warned election candidates not to advocate an independent Taiwan while campaigning for the December races.

Candidates who advocate independence—considered seditious by the government—while campaigning will be prosecuted, Chen said.

According to Article 54 of the Election and Recall Law, candidates or their aides inciting other to commit sedition could be sentenced to a maximum of seven years in prison.

Several members of the radical New Movement faction of the opposition Democratic Progressive Party (DPP), which advocates independence, will run in the year-end elections.

Meanwhile, John Kuan, the ruling Kuomintang's top election strategist, told some 300 members of the party's Central Advisory Committee yesterday that some opposition candidates might "publicly connive" with exiled dissidents to include an independence clause in their platforms.

But Kuan stressed that the KMT platform will oppose independence and violence, and expose the lies of the radicals.

Tibetans May Be Represented in Legislative Yuan

*OW0211143189 Taipei International Service
in English 0200 GMT 30 Oct 89*

[Text] The government is considering appointing an overseas Tibetan to the Legislative Yuan this year. Wu Hua-peng, chairman of the Mongolian and Tibetan Affairs Commission, said Saturday [28 October]. Wu told members of the Legislative Yuan that President Li Teng-hui had promised to consider the commission's proposal to reserve a legislative seat for the Tibetans because they are not represented in a lawmaking

chamber. In the National Assembly, however, there is the Tibetan representative. She is (Wu Hsiang-lan). (Wu) was appointed by the government on the mainland in 1947, prior to the communist takeover.

On December 2, 101 lawmakers will be elected to the Legislative Yuan in Taiwan while the government will appoint 29 others from among Overseas Chinese communities. Wu announced that Taipei will invite Mongolians and Tibetans from all over the world for a meeting in Taipei in October next year to promote better understanding and cooperation between the various ethnic groups of China.

General Chiang Ready for Presidential Elections

*OW0211135389 Taipei International Service
in English 0200 GMT 1 Nov 89*

[Text] General Chiang Wei-kuo, brother of the later President Chiang Ching-kuo, on Monday [30 October] for the first time acknowledged the possibility of his running for presidency in 1990. In an interview with the Chinese language UNITED DAILY NEWS, the incumbent secretary general of the National Security Council said that he will not be able to turn down a nomination by the National Assembly to run for president.

General Chiang, who is now 73, enjoys great popularity among mainland elected national assemblymen who have not had to stand re-election since 1948. Chiang also said that in a democratic country, like the Republic of China which stresses the golden mean, national assembly members represent true public views. If delegates asked him to run for president to serve the public, he would not be able to refuse. Chiang stressed that he has always obeyed the orders of his superiors since he was a second lieutenant and he said that the public views are a kind of order and he should follow this too.

UK Official Urges Cooperation With Government

*OW0211214089 Taipei CNA in English
1606 GMT 2 Nov 89*

[Text] Taipei, Nov. 2 (CNA)—A British Member of Parliament said here Thursday that the Republic of China [ROC] and Great Britain should continue their cooperation in academic, cultural, trade, banking, securities and environmental fields.

Speaking at the opening ceremony of the 1989 British Education Exhibition, Sir Eldon Griffiths said the ROC is an important member of the international community.

If such organizations as the General Agreement on Tariffs and Trade (GATT) and the International Monetary Fund (IMF) exclude the ROC, their discussions and activities will lose much lustre, Griffiths said.

He praised the ROC for its recent economic and political achievements, of which all Chinese can be proud of and which has caught the attention of Europe.

The British Representative Office in Taipei has begun issuing visas, and an ROC-UK cultural association will be established in London in a few weeks, according to the British statesman.

This shows that relations between the two countries have improved during the past year, he noted.

He called on both countries to strengthen their cooperation in academic, financial, ecological and other fields so that bilateral relations will be further upgraded.

Griffiths arrived here on Oct. 27. He met Vice Foreign Minister Chen Chien-jen Wednesday for an exchange of views on bilateral relations.

Mainland's Increased Control Could Hurt Trade

*OW0111034889 Taipei CNA in English
0230 GMT 1 Nov 89*

[Text] Taipei, Nov. 1 (CNA)—The growth rate of indirect trade between the two sides of the Taiwan Straits will drop dramatically as Peking has increased its controls on trade, a ranking official of the Board of Foreign Trade [BOFT] said Tuesday.

Chen Shih-hsi, a BOFT departmental director, noted that the Peking regime's foreign debt repayments would peak in the early 1990s. The Chinese Communists have already adopted austerity measures to ensure the smooth repayment of its debt, he said.

Peking had striven to control investments in the first half of 1989 and its bloody June crackdown on the prodemocracy movement in Tienanmen Square further hurt its economy, Chen pointed out.

The trade deficit will continue to grow and foreign currency reserves will fall, thus putting the whole economy into a most grave situation, Chen said.

As to indirect trade between the two sides of the Taiwan Straits, the huge trade surplus Taiwan enjoyed in the past has drawn the attention of the Peking regime, he said.

To cope with this situation, Peking has limited to 68 the number of companies permitted to import from Taiwan, he said.

He called on local enterprises to take precautions as indirect trade between Mainland China and Taiwan reaches a low ebb.

New TA KUNG PAO Editor Elected to NPC

HK0411030389 Hong Kong HONGKONG STANDARD in English 4 Nov 89 p 1

[Text] The editor-in-chief of pro-Beijing TA KUNG PAO newspaper, Mr Tseng Tak-shing, was made a deputy in China's National People's Congress [NPC] yesterday.

Mr Tseng, 40, fills the vacancy left by the newspaper's former publisher, the late Mr Fei Yimin.

His election by the Guangdong Provincial People's Congress has to be confirmed by the NPC.

Mr Tseng started with TA KUNG PAO's sister publication, the NEW EVENING POST, in 1969.

He became editor-in-chief of TA KUNG PAO in May this year.

Under his editorship, the newspaper did not criticise the Chinese Government's June crackdown as fiercely as left-wing WEN WEI PO.

Mr Tseng said last night that he would not discuss his new post until it had been confirmed.

Law Drafter's 'Unconstitutional' Charge Refuted

HK0411030589 Hong Kong HONGKONG STANDARD in English 4 Nov 89 p 1

[By Stanley Leung, Ma Miu-wah, and Yue Sin-yui]

[Text] A senior Chinese official yesterday rejected charges that Beijing's dismissal of two liberal Basic Law drafters was unconstitutional.

Local XINHUA News Agency vice director Zhang Jun-sheng made the rebuttal as the sacked drafters, Mr Martin Lee and Mr Szeto Wah, said in interviews with The HONGKONG STANDARD that their pro-democracy alliance was the lifeline for Hong Kong's rights and freedoms.

Mr Lee claimed earlier this week that the dismissal of him and Mr Szeto from the Basic Law Drafting Committee was a breach of their rights under Article 41 of the Chinese Constitution.

Article 41 permits citizens to criticise state bodies without retaliation.

But Mr Zhang said yesterday that actions by Mr Lee and Mr Szeto since June 4 amounted to more than "mere criticism" of China.

He said the two had openly called on foreign governments to impose sanctions on China.

They had described the Chinese leadership as a "puppet administration".

They had also "called on soldiers to turn their guns at the Chinese government".

"Are these merely criticism?" Mr Zhang asked.

Mr Zhang said the two dismissed drafters had not yet repented although the NPC Standing Committee decided that they could resume their drafting work if they did so.

And he said the legality of the Hong Kong Alliance in Support of Patriotic Democratic Movements in China was still in question.

In yesterday's interviews, conducted separately, Mr Lee and Mr Szeto said the alliance—branded as subversive by China—did not break any laws.

They said its existence now symbolised the preservation of Hong Kong freedoms as a whole.

The pair also believed the alliance was still warmly supported by the public.

On his future political career, Mr Lee said China's decision to sack him from the drafting committee "does not necessarily represent a severe blow to my political career.

"I will participate in direct elections in 1991," he vowed.

He was optimistic of wide support in direct elections with secret ballots.

On the Basic Law, Mr Lee said he believed little could be done through the Basic Law Drafting Committee under the current political climate.

He said Hong Kong people should seek improvements to the Basic Law after its promulgation.

The two liberal leaders denied reports of conflicts between them and said they were close partners.

But Mr Lee admitted that "it is not surprising that we have different opinions on some occasions, but the difference is very small".

The Chinese government could refuse to allow the two to transfer automatically from the last British-controlled legislature to the first post-1997 legislature according to the "through train" theory. But Mr Lee warned that if it did so, Beijing might have to pay the price in public discontent.

Mr Lee also claimed he had no interest in taking up the post of chief executive in the Hong Kong Special Administrative Region Government.

Mr Szeto also did not see himself as a politician despite his participation in political affairs including the drafting of the Basic Law.

He said it was his greatest wish to see democratic development in Hong Kong as well as in China.

he described himself as a patriot with a strong sense of belonging in Hong Kong.

He has been branded as "leftist" and even "Trotskyist" in the past and "subversive" at present.

On the future of the alliance, he believed those people who were sympathetic towards the mainland pro-democracy movement would continue to support the alliance.

Mr Szeto denied that the alliance was taking a low profile to avoid clashes with the Chinese government.

He said he would continue commenting on recent developments instead of keeping silent.

He said a reason for the "low profile" was that the local movement went side by side with the mainland movement which was suppressed by Beijing.

Mr Szeto said he would not withdraw his criticism of China's handling of the student movement despite pressure from the Chinese authorities and drafting committee.

Meanwhile, Mr Zhang said the new regulations covering Hong Kong and Macao journalists reporting on the mainland were aimed only at preventing confusion in management.

He promised that XINHUA would try to make arrangements for local journalists as soon as possible in case of big news events such as accidents on the mainland.

Spokesman Reviews New Regulations for Reporters

HK0211072189 Beijing RENMIN RIBAO in Chinese
28 Oct 89 P 2

[Xinhua report: "Spokesman for Hong Kong and Macao Affairs Office of the State Council. Speaks About Points of Attention for Reporters From Hong Kong and Macao Gathering News on the Mainland"]

[Text] Beijing, 26 Oct (XINHUA)—When interviewed by a XINHUA reporter today, a spokesman for the State Council's Hong Kong and Macao Affairs Office pointed out several things to which Hong Kong and Macao reporters should pay attention when covering news on the mainland.

The spokesman said that Hong Kong and Macao reporters should pay attention to the following:

1. Should a Hong Kong or Macao reporter request to cover news on the mainland, he should lodge his application with the Hong Kong branch of XINHUA News Agency 15 days in advance. The applicant should submit a letter of attorney issued by his news organization and a concrete coverage plan (which includes items and subjects to be covered, localities of activity, length of stay, etc.) which will then be passed on to the departments concerned under the State Council through the Hong Kong branch of XINHUA News Agency. Only when his application is examined and approved will he be able to cover news on the mainland.

Should a Hong Kong or Macao reporter request to cover news in Guangdong, Fujian, Hainan, and Shanghai, he must also lodge his application as stipulated, which will then be passed on to the province or municipality concerned by the Hong Kong branch of XINHUA News Agency. Only when his application has been examined and approved will he be able to cover news on the mainland.

Should he request to cover a contingency, he may lodge his application with the Hong Kong branch of XINHUA News Agency, which will then contact the departments concerned. He will not be allowed to cover news until his application has been approved.

2. Hong Kong and Macao reporters whose applications will be handled refer to those reporters and editors of newspapers, periodicals, news agencies, broadcasting stations, and television stations in Hong Kong and Macao which officially publish and release news. News organizations set up in Hong Kong or Macao by foreign countries or other regions, as well as their reporters in Hong Kong and Macao (including their Hong Kong and Macao reporters), are not included in this category.

3. After a Hong Kong or Macao reporter is allowed to cover news on the mainland, and if the locality he will cover is Beijing, or if he will go to another place via Beijing, he must register with the All-China Journalist Association and obtain a "certificate of news-covering." He will not be allowed to cover news without it. A person covering news in Guangdong, Fujian, Hainan, or Shanghai must have a "certificate of news-covering" issued by the local journalist association. A person covering news in other provinces, autonomous regions, and municipalities must send in advance his application form and photograph to and register with the All-China Journalist Association, which will then send the "certificate of news-covering" to the local journalist association to be issued on its behalf. The local journalist association is also responsible for receiving him. The "certificate of news-covering" can only be used once and becomes invalid upon expiry.

4. Should a Hong Kong or Macao reporter come to the mainland to cover a special important political activity or scientific, cultural, sports, or other activity, he will be received by the unit organizing the activity. Nonetheless, he still must obtain a "certificate of news-covering" from the All-China Journalist Association. His coverage scope is limited to the specified activity only and he must leave China as scheduled.

5. Hong Kong and Macao news organizations are not allowed to hire local personnel on the mainland as their permanent reporters in disguise. Nor are they allowed to hire local special correspondents or correspondents on the mainland. Telephone interviews by Hong Kong or Macao reporters from Hong Kong or Macao to organs, units, or individuals on the mainland will not be accepted.

6. Hong Kong or Macao reporters covering news on the mainland are protected by state laws. Meanwhile, they must observe state laws, decrees, and relevant regulations and must not engage in activities incompatible with their capacity as reporters. Anyone violating the laws will be given an oral warning, will have his "certificate of news-covering" revoked, or will be punished according to the laws by the unit receiving him or the departments concerned, depending on the gravity of the case.

Hong Kong or Macao reporters who enter the country on such pretexts as visiting relatives or tourism, or who hold Hong Kong or Macao home visit permits which are for the use of Hong Kong and Macao compatriots, will not be allowed to conduct any coverage activities.

7. When entering the country, a Hong Kong or Macao reporter should register with customs his belongings, such as broadcasting, television and photographic equipment. Customs will let him enter upon production of documents issued by the departments concerned and according to the relevant regulations. He must take away the same amount of equipment upon leaving the country.

Request To Discuss Rules Rejected

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[By Fan Cheuk-wan]

[Text] China's number one man in the territory, Mr Xu Jiatun, has rejected a request by three journalist groups to discuss new regulations which have clamped tough controls on overseas Chinese reporters in China.

The Hong Kong and Macao Affairs Office under the State Council last Thursday announced seven regulations for news reporting governing Hong Kong and Macao journalists in China.

The Hong Kong Journalists Association, the Hong Kong News Executives' Association and the Hong Kong Chinese Press Association discussed the regulations last Friday.

The groups then sought to meet Mr Xu, director of the Hong Kong branch of the XINHUA News Agency, China's de facto consulate here. But their request was turned down earlier this week.

Mr Leung Yu-shing, vice-chairman of the Hong Kong News Executives' Association, yesterday told THE HONGKONG STANDARD his group would discuss today whether they should protest against the rules.

Mr Leung, Executive Producer for Public Affairs Television of Radio Television Hong Kong, said the rules had almost paralysed the operation of local reporters covering China.

The new rules have required Hong Kong journalists to apply for approval for any reporting in China at the local branch of the XINHUA News Agency 15 days in advance.

Chinese government and enterprise officials and residents are banned from accepting telephone interviews from Hong Kong and Macao press.

Reporters must apply for and possess a special reporting permit from the All China Journalists Association in Beijing or from its provincial or city branch offices before conducting interviews.

"These rules have greatly hindered news reporting on China," Mr Leung said.

Mr Leung said he had called Mr Sun Nansheng, deputy head of the Propaganda Department of the XINHUA last Friday, raising the three groups' request to meet Mr Xu Jiatun.

But Mr Sun told Mr Leung on Monday that their request had been rejected, saying that "the leadership of the XINHUA" had no time to meet the press representatives.

Mr Sun was quoted as saying that it was not appropriate for the XINHUA to discuss the regulations with the press since they were not announced nor formulated by XINHUA.

Miss Emily Lau, chairman of the Hong Kong Journalists' Association, said the group would hold a meeting tomorrow to discuss the rules.

"We show great concern towards the rules because they have caused a lot of unnecessary problems for reporters," she said.

"On the one hand, China has repeatedly called for greater concern among Hong Kong people towards the motherland.

But on the other hand, it has imposed harsh restrictions on our news covering on China, which will harm the mutual understanding between Hong Kong and the mainland."

A XINHUA official told THE HONGKONG STANDARD "the leadership of the agency" had turned down the request of the three groups to meet Mr Xu as there was not sufficient time.

But the official declined to confirm whether "the leadership of the agency" was Mr Xu.

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